

**City's water bans to stay in place forever**

Sydney's water restrictions will become permanent because of the threat of climate change, the New South Wales Government has decided.

Daytime use of sprinklers and watering systems will be banned forever - as will the hosing down of driveways.

After weeks of speculation, *The Sunday Telegraph* can reveal New South Wales Cabinet has decided against simply rolling back the restrictions as dam levels fall.

In an exclusive interview, NSW Premier Morris Iemma said the decision was based on scientific evidence on the impact global warming would have on rainfall over the Sydney basin.

He said the permanent measures, together with recycling and the Kurnell desalination plant, were necessary to ensure Sydney would never again run low on drinking water.

"This is part of a plan to secure our water supply in the future," Mr Iemma said.

"We've got the evidence that climate change is real, it's here and we've got to plan accordingly.

"We face the prospect of a reduction in average rainfall.

"We've got scientific advice that there will be an eight per cent increase in evaporation rates and a doubling of hot days in Sydney by 2030, so we've had no choice but to introduce a long-term plan to secure our water."

Mr Iemma said the restrictions were aimed at ensuring the community continued to actively save water when the current level three water bans were eventually eased.

Residents and businesses across Sydney, Illawarra and the Blue Mountains have been living under mandatory water restrictions since October 2003.

The level three restrictions ban the use of watering systems and sprinklers at any time and a permit from Sydney Water is required to fill new or renovated pools bigger than 10,000 litres.

Mr Iemma said the Government would examine easing some restrictions when dam levels reached 65-70 per cent.

The latest figures from the NSW Sydney Catchment Authority show dam levels rose to 59.1 per cent capacity last week, up by 0.2 per cent on the previous week.

Warragamba Dam received 30 millimetres of rain while the Woronora catchment received 40mm from the rain between last Friday and Sunday. Water supplies are now at the same levels they were in January 2003. The last time dams were full was in 1998.

Mr Iemma said the permanent restrictions would be introduced under the Sydney Water Act. Regulations will be gazetted on Friday.

Ironically, the permanent bans are expected to ensure the \$1.76 billion desalination plant will never become operational. The State Government has set a trigger point of 30 per cent dam-level capacity before the plant begins to operate.

According to Sydney Water, the average Sydney household uses about 250,000 litres of drinking water a year.

The introduction of restrictions has reduced consumption from a record 500 litres per person a day in 1991 to about 340 litres per person.

"Both the community and business have responded magnificently to the need to save water," a Sydney Water spokesman said.

"Since water restrictions became mandatory in October, 2003, total consumption has fallen by 322.2 billion litres or 13.6 per cent less than what's called the seasonalised 10-year average."

**Drippers: No guarantee**

Premier Mike Rann has clarified the easing of water restrictions - and there is no guarantee drippers and buckets can be used over summer.

Confusion followed an earlier statement headed Rann Eases Water Restrictions Over Summer. The new statement confirms drippers and hand-held watering will be allowed for one day a week from October 1.

However, it emphasises the government will review restrictions monthly through spring and into summer, based on available water and levels of use.

Water Security Minister Karlene Maywald yesterday said the use of drippers and hoses could not be guaranteed over summer.

The government clarification follows hardware stores such as Bunnings reporting a rush on new drip irrigation systems by people under the impression drippers definitely would be allowed to be used over summer.

"I have every expectation there is sufficient water to enable the continuation of these slightly eased restrictions over the summer months, including the use of drippers or a trigger-nozzle for three hours a week, even houses on Saturdays, odds on Sundays," Mr Rann's new statement says.

"However as I said publicly earlier this week, this policy will be monitored on a monthly basis to ensure there's no big spike in water use."

**Farmers want payout**

Farmers in South Australia's food bowl are gearing for a multimillion-dollar compensation fight with the State Government as the drought devastates rural communities.

The SA Murray Irrigators group – an association of 1300 mostly citrus, vegetable, grape and dairy farmers – is seeking legal advice on possible court action to recover what they say is lost income due to State Government cuts to water allocations.

Independent legal experts told the *Sunday Mail* the farmers could mount a successful compensation case.

A determined SA Murray Irrigators chairman Ian Zadow yesterday said that "I will raise the issue of compensation at the next committee meeting in Berri on Tuesday and I would be surprised if the members were not thinking the same way I am about seeking compensation".

"If the advice is we have a case, we will certainly pursue it."

Mr Zadow, a potato farmer near Mannum who has been unable to plant a crop this season, said the association represented 1300 of the River Murray's 3500 irrigators.

"There is a lot riding on the legal advice, because if we pursue compensation on behalf of our members, then other irrigators would be sure to follow," he said.

"We are talking about tens of millions of dollars, even hundreds of millions, in lost-income compensation because the last figures I had showed the farm-gate value of River Murray irrigator products was \$1 billion in South Australia in a good year."

The move comes amid reports that farmers are walking away from their properties, while others are taking second jobs to make ends meet as the crippling drought bites hard in the bush.

River Murray Minister Karlene Maywald yesterday said the irrigators didn't have a case.

"Everyone has a right to seek legal advice," she said yesterday.

"I don't believe they have a case, but if they get advice otherwise we would look into it."

Ms Maywald said irrigators were provided with water entitlements under the Natural Resource Management Act and the allocations could be limited by the Government when necessary, such as during the present drought.

But SA Law Society planning, environment and local government committee chairman Paul Leadbeter disagreed with Ms Maywald's opinion.

"I don't see anything in the Natural Resource Management Act saying there is no right (for irrigators) to make a compensation claim if they don't receive their allocation," he said.

"The irrigators need to get some detailed legal advice on what their rights may be and look at taking action based on common law.

"I would have thought it's not a bad idea for the minister to meet the irrigators over compensation and see if there is any reasonable compromise."

University of South Australia law Professor Rick Sarre said he was confident the irrigators had a right to compensation.

"The irrigators absolutely have a case for compensation," he said. "I can't say what the court decision would be, but a sensible government wouldn't tie up taxpayers' money to fight these cases through court."

Professor Sarre said the Rann Government should avoid a "lawyers' picnic" of drawn-out court cases and instead show initiative by meeting the irrigators.

"The Government should answer these cases by working out some compensation scheme, which would be far better to do outside court in a tribunal, because these cases would continue for five years, otherwise," he said.

Mr Zadow said he would not be making any moves to meet Ms Maywald, whose electorate covers many of the areas where the irrigators farm.

"If we do have a case we would get whatever we could. Why let the Government off by making a compromise?" he said. Patrick Secker, the Federal MP for Barker – which covers much of the River Murray – said many Adelaide residents were unaware of how bad the situation was for rural communities.

"I'm aware of one person who has taken their life as a result of the pressures of the drought. They just couldn't handle it, and there could be more I'm not aware of," said the Liberal MP, who serves on the Parliamentary Committee for Agriculture, Fisheries and Forestry. "Some people are getting very close to walking off the land and for some this has been the last straw and they are getting out while they can."

**Desal at 0.03c a glass**

A glass of water from an Adelaide desalination plant would cost just 0.03c to produce, says one of Australia's top desalination experts.

Former West Australian Water Corporation principal engineer desalination Gary Crisp said, if done right, desalination was cost-effective and environmentally friendly.

Mr Crisp worked on Perth's 144ML desalination plant and is now working on a 125ML plant in Queensland.

He said the cost of producing 1kl of desalinated water was about \$1.20, so a 250ml glass of water would cost 0.03c.

SA Water charges 50c/kl up to 125kl, so a 250ml glass of water costs 0.0125c. However, it then charges \$1.16 for every kilolitre above 124kl.

Since Perth's desalination plant opened in November, water bills there have risen by \$43 a year.

A desalination plant in Adelaide is tipped to push water bills up by about \$300. However, Mr Crisp said it was "absolutely" worth building a desalination plant here, which could be up and running in four years.

"If you're using wind power or renewable energy to produce seawater desalination, it's got the smallest environmental footprint of any water source," he said.

Desalination has been criticised for its high energy requirements, which Mr Crisp said were at least three times that of "conventional" water sources such as dams and ground water. He said a 100ML plant would run on 160,000 kilowatt hours a day – enough to power about 25 households for a year. Desalination plants draw water from the ocean, from between 200m and 400m offshore, at a depth of at least 10m.

Screens prevent animals and seaweed from being pulled into the plant and a filter removes smaller particles such as sand and plankton.

A high-pressure pump pushes this water through a reverse osmosis membrane where desalination occurs.

"(The pump) is actually what uses all the energy," Mr Crisp said.

"That's what puts all the pressure into the water so we get it through the membranes." During reverse osmosis, about 40 per cent of the water passes through the membrane as fresh water while the remaining 60 per cent salt water flows over the top.

"The fresh water is literally pushed out of the salty water," Mr Crisp said. "The salt can't go through the membrane, the molecules are too big."

Once the salt and fresh water are separated, minerals and chemicals including calcium, carbon dioxide, chlorine and fluoride are added to the fresh water, which can then be piped into the city's water supply ready to drink. The salty water is diverted through an energy recovery device to generate power which is put back into the plant.

The brine is returned to the ocean through a pipe, which extends at least 500m-600m from shore, and is dispersed by tides. It is this part of the process which scientists and the fishing industry have concerns with.

Mr Crisp said brine was about 5.8 per cent salt while seawater was about 3.5 per cent salt.

#### **State's green power surge**

SOUTH Australia has recorded the biggest growth in the nation in green power consumption in the past year.

The number of SA households and businesses which have subscribed to electricity produced by renewable sources, such as wind or solar power, has doubled since June 2006.

During the same period the number of megawatt hours consumed which has been generated by green power has more than tripled.

The use of renewable sources - which unlike coal-fired electricity plants, do not emit greenhouse gas emissions - will save 24,000 tonnes of greenhouse gases each year. It is equal to taking 3400 cars off the road.

Conservation Council of South Australia chief executive Julie Pettet said it was "absolutely fantastic" that the state led the nation.

"Renewables and the need for renewables is consistently on the radar," she said.

"As a state, I think we are in many aspects environmentally friendly in a crisis and what that does, especially on the stage of energy and water, is get people to look at what their part in it is."

She said the large amount of wind and solar energy produced in SA, which has the greatest number of wind farms in Australia, also encouraged local residents to subscribe.

Origin Energy retail general manager Phil Craig said subscription of green energy plans had increased exponentially since it became available 10 years ago.

"In the last 12 to 18 months, the issue of climate change, linked with the drought, has become so important in people's minds," he said.

"People are looking at their energy consumption and green energy products have started to make more sense."

In SA, 36,095 households and businesses subscribed to green electricity, consuming 6940 megawatt hours, at the end of the June quarter, 2006.

This year, 63,791 households and businesses were buying green power, consuming 23,694 megawatt hours.

Western Australia had the nation's second largest consumption growth in the past year, purchasing 2.5 times as much green power as it did in the previous year.

New South Wales and Victoria both consumed 1.6 times as much green power in June as they did at the same time last year. Frewville resident Kurt Riebe, 41, has subscribed to green power because he and his daughters Esther, 10, and Harriet, 7, are concerned about the environment.

"We saw that it was one way of reducing our impact on the environment and Origin Energy was able to provide us with a green gas plan as well as green electricity, so we have covered all our energy needs," he said.

#### **Drought's real victims need support**

AS South Australia continues to grapple with the worst drought on record, it is vital that people look beyond their backyards to the wider impact on the community.

In Adelaide, the debate largely has centred on how often people can water their gardens, or whether a bucket is better than a dripper.

People have strong views about this, which extends to justified concern about houses cracking as soils dry and the loss of expensive plantings and mature trees.

There also is deep concern about related jobs, ranging from those in nurseries to garden care workers to irrigation hardware firms.

Plus some bemusement that restrictions only apply to water use outside the home.

But as urban dwellers try to keep their gardens alive, they must not lose sight of just how devastating this drought is for rural communities.

Across a wide swathe of South Australia, farmers are dealing with despair.

Yields are down or crops simply have not been planted. Livestock is being culled as the lack of life-giving water bites into production.

The SA Farmers Federation warns that between 10 and 20 per cent of farmers could be forced to leave the land within a year.

This is not just about a lawn turning brown or a few pot plants dying – the bigger picture for SA is about families losing their livelihoods and grappling with utter devastation.

Entire communities are being hit hard as the drought threatens to re-shape rural societies.

Governments can fiddle at the fringes with things like water restrictions, but until widespread, good rains sweep through the parched Murray-Darling Basin over a sustained period, SA faces an immediate future welded to drought.

In such times, it is crucial that the community stick together to support those who have more to worry about than whether a bucket beats a dripper.

17<sup>th</sup>

### **FarmOnline**

#### **Bligh caves and delays Warrego Water auction again**

Queensland Premier Anna Bligh has flagged the cancellation of the auction of 8000 megalitres of irrigation water from the Warrego River in Western Queensland.

While the auction has already been postponed several times this year and was scheduled to proceed next week, Ms Bligh said today it seemed her government had little choice but to cancel, once again.

It follows a letter from Federal Environment Minister, Malcolm Turnbull, lodged with Ms Bligh last night, asking for her to cancel the auction.

Ms Bligh said she was "very disappointed" with the attitude taken by the Federal Government.

"It seems like every week they have a different view on this issue and frankly, the farmers and irrigators in the Warrego area deserve better," Ms Bligh said.

"They deserve certainty and they thought they had certainty.

"I don't believe it is possible for the State to go ahead with those auctions in the next couple of weeks as planned given that the Federal Govt has now written and asked for us to delay them."

Ms Bligh has not ruled out going it alone and conducting the auctions anyway.

"Queensland will not proceed with the auction for two weeks while we seek first hand clarification on the Prime Minister's position on this issue," she said.

SOURCE: *Queensland Country Life*, weekly rural newspaper, posting breaking news updates on *FarmOnline*.

#### **Fed Govt back flips on Warrego water auctions**

Federal Environment Minister Malcolm Turnbull has back flipped on the sale of 8000 megalitres of water a year from Queensland's Warrego River, in the upper reaches of the Murray-Darling system. Mr Turnbull consulted Prime Minister John Howard before last night writing to his Queensland counterpart, Craig Wallace, ordering him to scrap the auctions. It follows the release of a CSIRO report last week, which painted a variable future for the rivers flows due to climate change.

Mr Wallace said the Queensland Government would consider its response, but he would have preferred for Mr Turnbull to have respected the findings of Queensland's water sharing plan, which would have retained 89pc of the rivers natural flow even if the sales went ahead.

The State Government had planned to hold two auctions next week in the western Queensland towns of Charleville and Cunnamulla.

Queensland has signed up to the Federal takeover of the Murray-Darling Basin and with the Commonwealth planning a \$6 billion buyback of over allocated water licences, the controversial auctions were set to be the last in the parched river system.

In March, Mr Howard approved the sale as it was consistent with the Warrego's water-sharing plan, but there has been strong objections from NSW farmers further south of the river.

Conversely, the move to cancel the sale has been bagged by the Queensland Farmers' Federation, which says the Federal Government has no grounds to block the auction given the water sales are authorised by a scientifically robust statutory water resource plan that has already been approved by Federal and State Ministers.

QFF chief executive officer, John Cherry, said the back flip raised questions about the Commonwealth's commitments to statutory water resource plans and its commitment to respect the rights of water users under its Murray Darling water law.



"If the Warrego water auction, authorised by a scientifically robust statutory water plan that leaves 89pc of the water in the river, is cancelled, where does that leave irrigators in the other two Queensland catchments with higher levels of extractions and with their Water Resource Operations Plans still only in draft form?" Mr Cherry said.

"The Warrego water plan is a conservative, environmentally sound plan that the CSIRO study concludes has left the frequency of minor flood events into the environmentally significant Yantabulla Swamp unaffected by the current low levels of water resource development.

"By contrast, the New South Wales end of the Warrego does not yet have a water sharing plan with water users enjoying unrestricted licences. "

SOURCE: AAP and *Queensland Country Life*.

### **New renewable industry turns farm waste to carbon**

A pilot factory based in Gunnedah, NSW, and perhaps a second unit in Toowoomba, Queensland, could spearhead the emergence of an industrial process able to turn farm wastes into charcoal beads, thereby providing a new source of renewable energy.

Eco-Carbons Pty Ltd's spokesman, Michael Neil, says the thrust of the process is to convert organic waste materials such as cereal grain 'seconds', husks, fruit stones, nut shells, and even straw, into carbon products suitable for industrial and domestic applications.

"Our research and development programme has given us the confidence to trial carbonisation plants to produce, under controlled conditions, charcoal fuel beads for a range of applications in Australia," Mr Neil said.

"The energy given off sustains the kiln itself, plus delivers surplus energy that can even be channelled into an electricity grid."

The plant's three-stage process involves milling, the formation of beads using natural binders, prior to churning out lightweight and highly porous carbon fuel beads.

As a bonus the construction industry stands to benefit from a spin-off product, namely lightweight concrete which should help reduce building costs.

Then there's the interesting possibility of providing horticultural industries with a product able to retain water and stimulate plant growth without suffering from high evaporation rates.

Mr Neil says the associated benefits from the process also could see the provision of material with good insulation properties, plus enhance soil properties since the end product is non-toxic.

Originally a Canadian initiative, the task now is to acquire venture capital to set up a fully operational site, with Gunnedah currently looking to be the most likely location.

\* More information is available on: [www.ecocarbons.com](http://www.ecocarbons.com)

SOURCE: *Queensland Country Life*, weekly rural newspaper, posting news updates daily on *FarmOnline*.

### **Adelaide Advertiser**

### **Prices, jobs, hopes hit by drought**

The State Government has been warned the drought will send the economy back into the doldrums this year.

The state economy was expected to drop back to a growth rate of 1 per cent or even less, the South Australian Farmers Federation president Wayne Cornish said yesterday.

He said the only thing that would save the economy was high commodity prices and rain rescuing some crops in the next few weeks.

"If they get 1pc growth again they will be doing pretty well, but there is an outside chance it will still rain," he said.

The drought cut \$1.2 billion from the state economy in 2006-07 with the State Government predicting in the June Budget an end to drought would return economic growth to 4 per cent this financial year.

South Australian Murray Irrigators chairman Ian Zadow said he feared if there was no production leaving farms then it would cut jobs in regional areas and Adelaide.

A number of food packing and processing operations along the River Murray, Virginia and in Adelaide were expected to have to downsize as production dropped this year. "SA Murray Irrigators is advising growers of annual crops to make their water available to permanent plantings so they can keep their crops alive," Mr Zadow said.

"Once they push their trees out it's a long process to recover."

He said he would propose to his committee tomorrow night irrigators sue either the State or Federal Government for loss of income because of low water allocations.

Laucke Flour Mills managing director Mark Laucke warned of shortages of some grain products due to the drought. He expected all baking products would be affected by the shortage of grain and many food prices might be forced to rise. His chain had absorbed most of the increased costs due to the drought so far, but its ability to absorb the cost increases won't be possible this year.

Mr Laucke said the crisis was not good for anybody because Australia was giving away its future if it could not maintain export markets. "We can lose the heart and soul of our agricultural industries and that's the worst impact of all," he said.

### **Rudd promises desal cash**

A Federal Labor government would partner South Australia in building a desalination plant to help secure Adelaide's water supply, Opposition Leader Kevin Rudd said today.

However, Mr Rudd said it was too early to talk about the level of any federal financial contribution to the project.

"We would want to be partners with the South Australian government in a project of this nature," Mr Rudd told ABC radio.

"But in terms of the timeline, in terms of the cost-line, we still have some further work to go with the SA government on that.

"I believe it is important for long-term water security in this state."

Mr Rudd also urged the Victorian Government to resume negotiations over joining the national water plan, saying the plan was in the national interest.

He was in Adelaide today to pledge Labor support for a water recycling project in the city's northern suburbs.

He said a desalination plant in the city was part of addressing the long-term challenges presented by the deterioration of the Murray-Darling river system and climate change.

"We've got to look creatively at long-term options, this is one of them," he said.

Mr Rudd said a federal Labor government would look at a detailed funding proposal from the South Australian government and make a response.

"In principle, we would want to be financial partners in this project," he said.

Earlier this month Premier Mike Rann said the government was likely to spend \$1.4 billion on a desalination plant that could provide a quarter of Adelaide's water needs.

But the premier cautioned the plant would be an "enormous and expensive undertaking" and take five years to build.

A government working group is currently considering the optimal size and location on Gulf St Vincent.

"We intend to conduct comprehensive studies into the movement of currents around the gulf so the engineers can know where best to disperse the plant's large concentration of brine which ... is highly toxic," Mr Rann said.

Yesterday Mr Rann also ruled out using recycled effluent as drinking water in Adelaide, although the Greens said such a move was short-sighted.

Greens MP Mark Parnell said it would be cheaper and better for the environment to use the desalination technology to treat effluent rather than sea water.

"The beauty is it uses much less energy to turn waste water into drinking water than it does to turn sea water into fresh and we stop environmental damage at the same time," Mr Parnell said.

"Major cities, such as London, have been using recycled waste water for years. It's just common sense."

### **Vic 'unreasonable' over Murray**

Victoria has been unreasonable in rejecting a \$10 billion federal plan to save the Murray Darling Basin, South Australian Premier Mike Rann says.

"Victoria stayed out of this on the basis of 'the current system works well as it is'," Mr Rann told reporters today.

"Clearly, it doesn't work well.

"When you have got an argument over a critical human need, it demonstrates the need for one controlling body run by independent experts.

"In a sense, my position is exactly the same as the federal government's - I think that Victoria has been intransigent and has been unreasonable.

"You cannot cross your fingers and hope that there is not going to be a drought next year.

"And that is why you have to plan for the future and plan for the worst times rather than just hoping the drought will end."

Mr Rann said he hoped "commonsense would prevail".

"We have helped out New South Wales and Victoria in the past in terms of water for critical urban needs and we are simply asking those states to do the right thing by us," he said.

"I supported a federal takeover of the River Murray. For 100 years, parochialism between the states meant that there was a lack of progress - we saw water being diverted for rice farmers, we saw water being used for cotton growing, which shouldn't happen in Australia.

"So we have supported a handover of the River Murray to the commonwealth with the proviso that an independent commission be responsible for water allocations rather than another group of politicians."

### **PM hints more help on way**

Prime Minister John Howard today will describe the state of Australia's water supply as "parlous" and will place further pressure on Victoria to sign up to his national water plan.

In his weekly radio address, Mr Howard will lament the "devastating impact" of the drought on rural and regional Australia.

"Without urgent spring rain, crops are expected to fail in the coming weeks - placing further strain on an already deeply stressed farm sector," he will say. He will foreshadow further drought assistance for the nation's struggling farmers under income support and interest rate subsidies. "Our Budget is in a healthy position and this enables us to generously support those in need when natural disasters strike," he will say.

He will describe the status of Australia's water shortages as "parlous" and stress the likelihood of further contingency measures.

"Unless there is plentiful rain in the immediate term, further contingencies will be required to maintain critical supplies in the Murray-Darling Basin."

He will call on Victoria to stop playing politics with the Government's \$10 billion water plan.

### **'Tough rules' block relief for farmers**

Stringent Centrelink rules have been blamed for preventing farmers living below the poverty line from accessing Exceptional Circumstances relief.

Agricultural consultant JW Ball and Associates principal Jamie Ball, of Saddleworth, said many farmers were having trouble accessing drought funding.

"Centrelink is primarily the problem because it has its rules, but they are geared for people and businesses in the city and they have different reporting techniques to what we do in the country," Mr Ball said.

"Also, their rules aren't in compliance with Australian Tax Office rules and they are actively trying not to pay people." Mr Ball said he knew families drawing less than \$10,000 a year who couldn't afford to go to the football.

"They don't go to entertainment, they can't afford things that are everyday items for people in the city," Mr Ball said.

"This includes cosmetics and basic clothing.

"They look OK, but when you know them, it's a facade, they're very worried."

### **'Tree Bill' threat to climate'**

The State Government's attitude to significant trees is at odds with climate change strategy and water restrictions, arborists say. Planning Minister Paul Holloway wants to clarify and simplify the legislation that protects significant trees. The South Australian Society of Arboriculture, however, says The Development (Regulated Trees) Amendment Bill 2007 being debated in Parliament will lead to the "mass removal of about 50 per cent of Adelaide's estimated 500,000 private trees".

Spokesperson and arborist Alan Cameron says this potentially will release about 2.5 million tonnes of carbon over the next five to 10 years.

The figures are based on research by Dr Greg Moore at the University of Melbourne. They are seen as conservative estimates.

"Each mature tree, including roots and foliage, weighs about 100 tonnes," Dr Moore says.

"You can do some calculations that then conservatively tell you that about 10 tonnes of carbon is contained within each mature tree."

Dr Moore says trees perform a wide range of valuable functions in cities. They are natural assets, "worth tens of thousands of dollars each".

18<sup>th</sup>

### **FarmOnLine**

#### **Drought: Howard releases extra \$430m in aid**

Prime Minister John Howard has announced an extra \$430 million for farmers hurt by continued drought conditions.

"We're announcing a package which will provide an additional \$430 million of drought assistance to farmers throughout Australia," Mr Howard said.

Some areas of southern Australia have been in drought for most of the past decade, and last week Agriculture Minister Peter McGauran warned of an unprecedented rural crisis within a month unless rains arrived.

The Federal Government is already providing more than \$26 million a week in exceptional circumstances (EC) assistance to farmers and their families living in drought declared regions. There is also funding for agribusiness. Mr Howard said the new funding would be targeted at two areas.

"For those areas that have exceptional circumstances declared until March of next year ... they are going to be extended with this announcement until at least September of next year," he said.

A total of 38 rural regions are thus in line for assistance to be extended.

"Separately from that, I'm making an interim EC declaration today in relation to a large part of Tasmania and also a significant part of Western Australia," Mr Howard said.

The West Australian wheat belt, which has suffered again this season, is vital to Australia's extensive export trade.

Mr Howard said he had made the interim declarations ahead of requests from both State governments.

"I made the interim declarations so that some of the assistance can begin to flow from those areas immediately," he said.

The announcement has been welcomed by producer groups, with NSW Farmers' Association president, Jock Laurie, saying the rapidly deteriorating situation in NSW warranted the extension of EC beyond March 2008.

"For farmers to know that they may be eligible for extended assistance is very important," Mr Laurie said.

"In NSW, many crops have already failed, and many more will do the same if it doesn't rain this week.

"The rainfall outlook is not good, and people have run out of time."

Mr Laurie says the ramifications of successive failed crops will also be felt throughout the agricultural sector, from grain-fed industries such as chicken and pork, to horticulture, to grazing industries desperate for feed.

SOURCE: AAP and *The Land*, NSW.

### **Drought: Time to revisit the EC rules, says NFF**

The National Farmers' Federation has called for the exceptional circumstances (EC) program to be re-examined to give it greater flexibility to provide for those hardest hit by the lengthening drought.

While welcoming today's \$450 million injection into the EC program by the Federal Government, NFF president David Crombie says the worsening water shortages in the Murray Darling Basin means new measures, over and above EC, may be needed.

"Government support has helped, and is helping, but the situation has deteriorated markedly in the past two weeks," Mr Crombie said.

"The NFF believes that the EC assistance program could also be re-examined to give it greater flexibility in meeting the needs of those grappling with the deepening drought.

"The NFF remains in urgent discussions with the Government about possible options."

The Federal Government has today extended the EC declarations for several drought-hit areas, as well as providing interim relief for others starting to feel the pinch.

Mr Crombie says this drought has now reached "a scale that is unprecedented".

"Its impact has already been felt throughout the entire community and that is set to worsen," he warned.

"The winter rains – which looked so promising just a couple of months ago – sadly, did not eventuate.

"We face more of the same with dire predictions for a dry spring."

SOURCE: *Queensland Country Life*, weekly rural newspaper, posting news updates daily on *FarmOnline*.

### **Vic Murray allocations lifted to 10pc, Goulburn to 20pc**

Struggling irrigators in northern Victoria have today been given a little more water, as minor inflows to storages enabled increases in allocation on the Goulburn to 20pc and on the Victorian Murray to 10pc.

But declining flows into storages during August and September has forced a further downgrade of the outlook.

The December outlook on the Goulburn under average conditions is now 53pc, down from 68pc a fortnight ago and just 35pc if the dry conditions the system is experiencing continue.

The Murray, where irrigators are experiencing their first year of having to manage drastically reduced water availability, is worse.

They're the December outlook under average conditions just 38pc (formerly 52pc) and under dry conditions 20pc.

Rural Water Authority Goulburn Murray Water has increased the Goulburn system allocation by 3pc and extended the season another month to close on April 15.

It lifted the allocation on the Murray to 10pc, double the opening allocation of 5pc, but a far cry from the 95pc available to irrigators this time last year.

The Broken system allocation rose to 15pc and Loddon irrigators were given an opening allocation of 5pc.

Both systems are on a temporary season, which will end on October 31 unless sufficient inflows are received to cover any extension.

There is still no allocation on the Campaspe or Bullarook Creek systems.

SOURCE: *Stock & Land*, weekly rural newspaper for Victoria, posting breaking news updates on *FarmOnline*.

### **Drought: Howard pledges further cash assistance**

The Federal Government has pledged to provide further financial support to drought-stricken farmers, if necessary, and re-ignited its war of words with Victoria over its Murray Darling plan for water security.

With the drought showing no sign of breaking, Prime Minister John Howard promised the Government would stand "shoulder to shoulder" with rural and regional Australia.

"If more is needed to ensure our regional communities and farms survive this prolonged drought it will be provided," he said in his weekly radio message.

Mr Howard said the nation's healthy budget position meant the Government was in a position to help if required.

The continuing dry has also hit water storages, which are now on average in a worse state than at this time last year.

"Unless there is plentiful rain in the immediate term, further contingencies will be required to maintain critical supplies in the Murray- Darling Basin," Mr Howard said.

"My government has an ambitious plan to secure water supplies in the Murray-Darling Basin - the nation's food bowl - but it is being blocked by the Victorian Labor Government.

"The plan outlined almost eight months ago would put more water back into the system by piping and lining leaky irrigation channels.

"With the water shortage at a critical level, it is hard to understand why the state Labor Government in Victoria continues to play politics on such an important national issue."

SOURCE: AAP and *FarmOnline*.

### **Drought: Labor backs more assistance**

Labor's Treasury spokesman, Wayen Swan, has welcomed Prime Minister John Howard's commitment to consider the expansion of drought assistance funding as seasonal conditions worsen.

Mr Swan told journalists in Canberra this morning "the deterioration in rural conditions is quite disturbing".



"I welcome the announcement from the Prime Minister that there may well be additional Government assistance given to those who have been affected, the rural communities and the farming communities," Mr Swan said.

"This is extremely disturbing.

"If rain doesn't fall in a short period of time there will certainly be a major problem in regional Australia.

"So I welcome the commitment from the Prime Minister to give additional assistance if it's required.

"We would support that 100pc."

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

### **Drought: Risk management vital, says NFF**

The National Farmers' Federation is urging farmers to employ risk management strategies as yet another crop looks destined for failure due to drought.

The lack of winter rains and the prospect of more of the same over spring, has contributed to the current strength in global agricultural commodity prices, with the Westpac-NFF Commodity Index for August surging a whopping 25.4pc on year-ago levels. Wheat has been at the vanguard of the price charge, reaching record highs during August as a result of global supply shortfalls. But the NFF is urging caution as farmers tread the fine line between locking-in contracts to capitalise on the boom and making realistic production estimates in the face of a lack of rainfall across much of the country.

NFF vice-president, Charles Burke, says the length of the drought will impact on farmer's ability to financially capitalise on the high prices.

"That has meant debt levels have escalated, while little has been delivered by way of income," Mr Burke said.

"The NFF has encouraged greater use of modern risk management tools by Australian farmers to assist them in achieving more competitive, sustainable and profitable farming businesses despite the hazards that beset the sector from time to time.

"These include tools, funded under the Australian Government's revamped \$254.7 million Advancing Australian Agriculture (AAA) package, recognising even the best farm managers cannot control the weather, but they do implement strategies that support the health and vibrancy of their business through drought.

"It is the combination of the AAA package, commercial risk management tools and new on-farm technology that sees our farmers well-placed when the rain does come."

Compared with July 2007 levels, global prices in August increased for barley (0.7pc), canola (7.3pc), wheat (18.4pc), sugar (0.7pc), wool (2.1pc), beef (4.6pc) and dairy (7.6pc).

Only cotton (-1.7pc) experienced a decrease in price from previous month levels.

SOURCE: NFF and *FarmOnline*.

### **Drought: Slim hope of rain for desperate Vic farmers**

Farmers facing the prospect of failed crops in Victoria's drought-stricken Mallee, Wimmera and northern districts can expect no more than a short-term reprieve this week, with only light rainfall likely.

Scattered showers forecast for today are expected to be followed by similar falls when another cold front moves in on Wednesday.

But only about five to 10 millimetres are expected in the Wimmera and Mallee districts, where many crops are on a knife-edge.

Bureau of Meteorology senior forecaster, Terry Ryan, said the cool change would bring some rain, but more was desperately needed.

"Things are pretty grim there," he said.

Areas south of the Great Dividing Range, and south and west Gippsland, are set to record heavier falls.

Poor winter rainfall has forced the Department of Primary Industries to revise its winter grain forecast.

If dry conditions continue, Victoria's grain harvest could be less than half that originally forecast.

Horsham-based departmental agronomist, Chris Sounness, said if little rain fell, only 5.3 million tonnes of grain, worth \$1.8 billion, was expected — 12.7mt was predicted in July.

Mr Sounness said that with crops already showing signs of moisture stress, the longer it remained dry this month, the tougher it would be for growers to benefit from any late rain.

It is also a crucial time for irrigators, with fruit growers and dairy farmers in the Goulburn and Murray districts ensured only 17pc and 5pc of their water rights respectively so far this season.

The latest fortnightly update to irrigation allocations will be released today, with only a small increase in flows expected.

Goulburn-Murray Water's executive manager, planning and environment, Alex Marshall, said there had been little improvement in storage levels.

"Last week there was about 20mm at Eildon itself — but inflows are still dropping away, they're not coming up," he said.

SOURCE: *The Age*, Melbourne, a Fairfax Media publication.

### **Drought: Dry end to winter derails SA crop hopes**

A dry end to winter and a run of hot, northerly winds in recent weeks threatens to totally derail the cropping season for producers across western and upper Eyre Peninsula, SA. Wheat and barley crops, which make up the majority of the region's overall harvest, are now in need of urgent falls before the end of spring if yields are going to be any better than the disappointing 2006 harvest.

Around Kimba, farmers are still hopeful of a worthwhile spring and summer reap, but further north to semi-marginal areas around Buckleboo, many crops will not be harvested, with cereal paddocks across the district now offering little more than grazing feed for stock. Peas, which have also been adversely affected, with a run of frosts reducing predicted yields. However, many farmers' burdens will be eased with valuable cash flow secured from the spring and summer turn off of prime lambs.

While throughout the 1990s many producers moved towards continuous cropping, the value of retaining a mixed farm enterprise incorporating wool or prime lambs is becoming increasing in light of the prevailing dry conditions.

SOURCE: *Stock Journal*, SA's weekly rural newspaper, posting news updates daily on *FarmOnline*.

#### AWA

SA Premier Rann has committed his Government to the state's biggest ever infrastructure project, a \$2.5 billion water supply upgrade for Adelaide, with pledges for a 50GL desalination plant and a dam upgrade. The city is currently sourcing 90% of its water from dwindling Lofty Ranges & River Murray supplies.

Following the release of the CSIRO report 'Water Availability in the Warrego' from the Murray-Darling Basin Sustainable Yields Project, the Commonwealth Government has called on the cancellation of the auction of 8000 ML of water entitlements on the Warrego River. Newly appointed Queensland Premier Anna Bligh has suspended the auction, awaiting the Prime Minister's position on the proposed sale. (CSIRO report)

Water Corporation will soon advertise for the supply of 200 Gigawatt hours (GWh) per year of Renewable Energy to power their second Desalination Plant. 80% will be supplied from commercially tested renewable energy sources, such as wind farms. Expressions of interest will be called for up to 40GWh per year to be provided by technology not yet commercially proven on such a large scale (eg. wave power and geothermal energy).

A slight improvement in expected rainfalls in the Adelaide Hills means domestic Water Restrictions will be eased to allow for drippers and hand-held watering for one day a week from October 1, bringing the restrictions closer to those in place in both Sydney and Melbourne. Rainfall has not been sufficient to make significant changes in restrictions.

A new study by the CRC for Irrigation Futures suggests that mosaic-style Irrigation may be a viable alternative in Northern Australia to traditional large-scale irrigation systems used in the south. Discrete patches of irrigated land could help reduce surface and deep drainage, minimise erosion and decrease nutrient loss.

Victoria's Smart Water Fund is providing a further \$5 million for investment in innovative water saving, water recycling or bio-solids management projects. Round 5 of the Fund is open for applications until 9 November 2007 with funding available to local government, business, community groups and individuals for innovative sustainable water and biosolids use projects.

The Sustainable Agribusiness Opportunities from the Wimmera Mallee Pipeline initiative has been extended through an additional \$1.35 million to assist Wimmera landholders to create new opportunities from the Pipeline. The additional funding will almost treble the number of landholder and off-farm business able to participate in the program.

Queensland Government has settled 61% of the properties required for the Queensland Traveston Crossing Dam, with sales now reaching \$243 million.

The Water Services Association of Australia has engaged consultancy firm Inform to conduct Stage 1 of a project to 'Address the skills shortage in the urban water industry. The project will survey WSAA members to gain a picture of the issue now and their staffing expectation in 5 -10 years. Stage 2 of the project will take a wider view of the industry as a whole and will include the learning's from other projects.

On 6 September 2007, the Victorian Minister for Finance directed the Commission to conduct an inquiry, under section 41 of the Essential Services Commission Act 2001 into Tariff Structures for the Victorian water industry.

Barwon Water has entered a partnership with the Plenary Environment consortium to build a \$76 million Biosolids treatment facility to be located near the existing Black Rock water reclamation and will recycle all of Barwon Water's biosolids. Under the consortium arrangements, Earth Tech has been engaged to manage the design, construction and operation of the facility for the 20 year concession term.

Western Australia's Department of Water has won a 2007 Australian Business Award for Recommended Employer acknowledging the Department as an industry leader, providing a stimulating and supportive workplace that created a committed, motivated and effective workforce.

The media reports that a preview report of the NSW Independent Pricing and Regulatory Tribunal (IPART) inquiry into water prices shows the state's regulatory body will research use of SCARCITY PRICING in NSW.

Tapping recycled water from Sydney's west is central to Delta Electricity plans to expand its Mt Piper power station in Lithgow, estimated to cost up to \$400 million.

New Queensland Premier Bligh has put the brake on the auction of water licences on the Warrego River.

Premier Mike Rann describes as "inevitable" the building of 2 desalination plants, one for Adelaide and another to service the Olympic Dam mine, Whyalla and the Eyre Peninsula.

The announcement of a desalination plant for Adelaide is being described as a "slap in the face" for country people, with concerns they have been left behind on water solutions.

Profits from the sale of water in South Australia should be redirected from general revenue to conservation and water infrastructure, says independent MP Nick Xenophon.

#### **Adelaide Advertiser** **Paid to Quit Family Farm**

Farmers will receive generous pay-outs to leave drought-ravaged properties as part of a massive bail-out for rural areas. Facing worsening drought conditions, the Government is also expected to boost welfare payments and counselling services to stem suicide rates.

Prime Minister John Howard is expected to announce the pre-election boost within a week, amid fears thousands of farmers face catastrophic crop failure.

The Prime Minister yesterday pledged another \$430 million in drought relief for farmers - but the Government is prepared to go much further.

Well-placed Government sources said the new package will relax the off-farm assets test for farmers, allowing them to receive higher welfare payments.

Struggling farmers who wish to leave the land will also be eligible for more lucrative structural adjustment payments, designed to help them transfer into other industries.

The package is expected to be considered by Cabinet or senior ministers within the next week, ahead of an announcement soon afterwards.

As experts warn the drought has reached unprecedented levels, Mr Howard announced Emergency Circumstance (EC) funding will be extended by six months to September 2008.

Parts of Western Australia and Tasmania will also be eligible for financial aid, as the taxpayer-funded payout to regional communities approaches \$2.5 billion.

The Prime Minister said the six-month extension "will provide confidence" to farmers suffering through the worst drought on record.

"It will allow farmers to plan through to next year's season, knowing that assistance will continue to the end of their next planting opportunity," the Prime Minister said.

Mr Howard cited the Government's strong economic record which he said had made it possible for hard-hit regional communities to receive financial aid.

"With the Budget in such a strong position, the Commonwealth has been able to generously support those in need when natural disasters strike," he said.

National Farmers Federation president David Crombie welcomed the funding for a drought which he said has reached a "scale that is unprecedented".

In its pre-election wish list to be unveiled tomorrow, the NFF wants a "longer-term plan for managing climate variability in agriculture".

It wants climate management grants to be made available to help farmers "prepare for, manage and recover" from drought.

The NFF denies the scheme is just another hand-out to the bush. Instead, it says eligible farmers would have to match the Government's funding with either cash or "in-kind support".

Business plans would also have to be produced to ensure farmers the additional Government funding to better manage drought conditions.

#### **Major carbon dump for SA**

THE world's biggest carbon dump being planned for the state's Outback could hold up to one billion tonnes of greenhouse gases.

This is more than twice the capacity first planned.

Adelaide-based oil and gas company Santos believes a billion tonnes of carbon dioxide could be stored in its depleted oil and gas reservoirs in the Cooper Basin, compared with an original estimate of 400 million tonnes.

In June, *The Advertiser* revealed Santos had applied to the Federal Government for \$275 million in funding as part of an estimated \$714 million first-phase investment, to demonstrate storing greenhouse gases underground worked.

That project was based on eventually pumping 20 million tonnes of CO<sub>2</sub> underground per year, for 20 years, from as early as 2010.

This would make it by far the largest carbon sequestration project in the world, but Santos spokesman Matthew Doman said yesterday it could now be even bigger.

"It comes from several things – the existence of aquifers below the Cooper Basin which could also be used to inject and store carbon . . . the other is the fact that as you use CO2 to pressurise the field and get more oil out, the removal of that oil creates more space in the oil field itself so that increases by about 20 per cent the capacity of the oil field storage beyond our initial estimates," he said.

The Federal Government is considering the proposal and does not comment on proposals under consideration.

But both Foreign Affairs Minister Alexander Downer and Finance Minister Nick Minchin have said they were interested, paving the way for a possible pre-election funding announcement.

The demonstration phase would inject about 1 million tonnes of CO2 underground per year, equivalent to taking about 250,000 cars off the road per year.

### **Expert Plea**

More than 120 scientists have appealed to Federal Environment Minister Malcolm Turnbull to not approve Tasmania's pulp mill until further research is carried out.

### **Murray growers to sue governments over water cuts**

Murray irrigators will pursue landmark legal action against state and federal governments seeking compensation for cuts to water entitlements.

More than 800 growers from South Australia, Victoria and New South Wales met in Mildura last night to discuss options as they head into what will almost certainly be another year of drought.

Growers Action Group chairman Vince Cirillo said farmers had voted to support a class action and to immediately stop paying for water they were not receiving.

"It's a regional disaster unfolding before our eyes and a lot of people are starting to see it will impact on the whole region if we cannot get the governments to listen," he said.

"We have also committed to take our protest all the way to Canberra." Mr Cirillo said the group would investigate their legal options and another meeting between farmers would follow shortly. The meeting came as Goulburn Murray Water announced an increase in water allocations for farmers on the Murray, Goulburn and Broken River irrigation systems, in northern Victoria.

GMWater planing and environment manager Alex Marshall said allocations were based on the amount of water in storage. "Even though inflows are down we are getting some inflows so they have increased the allocation," he said.

"They are modest in comparison to the sort of allocations we would normally see at this time of year."

He said allocations could reach up to 40 per cent on the Goulburn system and around 20 per cent for the Murray later if things kept going the way they were.

Victorian Premier John Brumby said yesterday the Government was examining the specific problems being faced by struggling farmers.

He said the Government had already committed \$170 million above what was required under national drought arrangements.

### **Desperate times at Bow Hill**

The tiny River Murray town of Bow Hill is facing financial upheaval as the drought dries up its lifeline.

Bow Hill onion grower and packer Neville Weber said many of the onion and potato crops - normally the town's lifeblood - won't be planted this year.

It will mean the loss of income and of numerous jobs in the packing sheds around the town. SA is the onion growing capital of Australia in a good year, but it may lose its title this year. Mr Weber normally produces about 1200 tonnes of onions and 2400 tonnes of potatoes, but there wouldn't be a single kilogram of either this year.

Mr Weber said in 48 years farming, he had never thought he'd see the day when there wasn't enough water to plant crops. The 16 per cent water allocation he does get this year will go to his 34ha of grapevines, but it will do little more than keep them alive.

His son Matthew is working at Australian Zircon's mineral sands mine at Mindarie.

"We normally do a bit of grain carting, but it doesn't look like there will be much work this year and our packing shed which employs seven people for two-three days a week for three-four months won't be opening," he said. "Everyone is in the same situation. A few are still planting onions, but production in the area will be down a fair bit this year."

Bow Hill General Store co-owner Lauren Roether said business was already down because houseboat customers weren't coming because they didn't think there was enough water in the river. "People are a bit down in the dumps and the crops aren't looking that good because we've had a few frosts," he said.

### **Water bill to rise by at least \$80 a year**

The cost to set up and run a desalination plant in South Australia will add at least \$80 a year to household water bills.

### **Paying for the water we need**

THE one initiative certain to curb water use in South Australia is to increase the price of water. Water for domestic, rural and industrial use remains, by world standards, absurdly cheap.



South Australians should no longer expect the luxury of being able to squander water without facing serious financial penalty. In particular, a necessary desalination plant cannot be built without raising the cost of water.

People must be offered a simple market-place choice. If they want to use significantly more than would generally be required then they must pay for it.

Like other commodities and services as diverse as petrol, electricity, alcohol, gambling and cigarettes, excessive use must come at a cost. It must force people to make choices and, if necessary, sacrifices in other areas.

Since severe domestic water restrictions were introduced by Water Security Minister Karlene Maywald people have begun conserving water. The majority of people are now conscious that if they adopt sensible water practices they can make a difference. Bans on hoses and sprinklers and the use of watering cans, drippers and rainwater tanks have been educational and, obviously, contributed to water conservation. Major cuts have been made in agricultural industries, particularly those reliant on irrigation. Conventional industries are now voluntarily finding ways of saving water.

But the Government is rightly committed to a policy of water-proofing Adelaide and the vulnerable regional areas.

It is planning to build a desalination plant and to increase the capacity of the Mt Bold Reservoir.

They are necessary initiatives. The right decision. But they will come at a cost.

As politically unpopular as it may be, the Government must now impose higher water charges to not only pay for the desperately needed water infrastructure but to underline the importance of water conservation.

#### The people's right to know

The State Government, through the Health Department, is denying the people of South Australia information about the planned \$1.7 billion Marjorie Nelson-Jackson Hospital in Adelaide.

When The Advertiser sought information on the hospital, the department offered to provide 20,000 pages of documents at a cost of \$15,000.

There was no indication of what information would be included. The department essentially offered a pig in a bag.

While it would have been supplied under Freedom of Information provisions, it was hardly free.

As often happens with the so-called Freedom of Information regime, The Advertiser has been frustrated by limited co-operation and, in this case, what appears to be the imposition of excessive charges to inform people about plans for the hospital.

What the Health Department seems to forget is that the new hospital is being built for the people, with the people's money. The people have a right to know.

19<sup>th</sup>

#### **FarmOnLine**

#### **Drought: Crisis summit to be held in Parkes, NSW**

Short, medium and long-term solutions to deal with the impacts of the drought will be thrashed out at a Drought Rural Crisis Summit in Parkes, NSW, on Tuesday next week, September 25.

The summit has been coordinated by the Shires Association of NSW with the NSW Farmers Association.

Some of the issues to be addressed include:

- Support for farmers entering and leaving the industry
- Exceptional circumstances funding, and
- The impact of drought on crop belts.

President of the Shires Association of NSW, Bruce Miller, said yesterday, "The threat to winter crops is another reminder that relevant stakeholders need to take responsibility for the crisis facing NSW communities and agree on, and implement, solutions.

"At the end of this summit we want to have clear direction on how to relieve pressures on drought affected communities.

"It is clear that current levels of assistance are inadequate.

"Many NSW families are facing financial, social and mental ruin."

John Cobb, Assistant Minister for the Environment and Water Resources will address the summit, as will Senator Kerry O'Brien, the Opposition Spokesperson on Primary Industries, Jock Laurie, president of the NSW Farmers Association, and Genia McCaffery.

President of the Local Government Association of NSW,

Bruce Miller will chair the meeting.

The meeting will be held at the Coventry Room in Bogan Street, Parkes, from 11am - 3pm.

SOURCE: *Parkes Champion Post*, NSW, a Rural Press publication.

#### **Pipe kicks in – water bans to be eased this summer**

Bendigo, Vic, will experience the first wave of relief from the multi-million-dollar Superpipe project, with water restrictions set to be eased across the Coliban system.

Rural members of Victoria's Coliban system will receive 30pc water allocation this summer – up from zero last year – while urban customers can water by hose for two hours each week as of October 1.

Coliban Water managing director, Geoff Michell, said the Goldfields Superpipe was the main reason for the reprieve.

Coliban has estimated 6,000 megalitres of water will be used for the relaxation of water restrictions between October and April next year – 4,000 megalitres for the rural allocation, with the urban relief to cost 2,000.

About 10,000 megalitres will be pumped through the Superpipe this year.

Mr Michell said yesterday the reprieve had taken into account worse-case scenario projections.

Coliban aims to have 17,000 megalitres of water in storage by July 2008.

Mr Michell said the Superpipe, combined with the Bendigo Recycled Water Project – a pipeline running from a recycled water plant in Epsom to the Spring

Gully Reservoir – secured water supplies for 2008.

He denied the move was a risk.

Bendigo winemaker Shane Colbert, of Lynnevale Estate, will be a beneficiary of this summer's rural water allocation.

Last summer, Mr Colbert harvested 8pc of his crop, but he now hopes to turn a profit.

"It virtually takes us from the situation of having a zero result to potentially a good result," he said.

"It's a very small allocation, but it's enough to ensure our survival and with a bit of luck and a bit of rain at the right time we may even end up with a good result."

While the Bendigo, Castlemaine, Kyneton and Heathcote regions will see restrictions relaxed, Coliban's other regions are set to miss out.

The Goulburn, Murray, Wimmera and Loddon regions will not enjoy the same reprieve.

"We set restrictions on a system by system basis," Mr Michell said.

"For example, last year our Goulburn and Murray systems had a much lower level of restrictions than we had in Bendigo because the allocation in those districts was much higher."

"This year the Murray system is in quite dire straits." SOURCE: *The Advertiser*, Bendigo, a Rural Press publication.

### **WA group blasts claims that red meat output bad for climate**

WAFarmers has hit back at a report that says red meat consumption should be reduced to fight climate change.

WAFarmers Climate Change spokesperson, Dale Park, said this week that the report *Food, livestock production, energy, climate change and health*, published in the medical journal *Lancet* contradicts Australia's National Dietary Guidelines that recommends eating red meat three to four times per week.

The report focuses on the emission of methane.

Mr Park, however, points out that recent research indicates that methane levels in the atmosphere have levelled out across the globe.

"The fact is that the majority of agricultural emissions involves the recycling of carbon, not the creation of new carbon.

"With ongoing research into livestock management practices and carbon sequestration from cropping and pasture growth, along with existing tree farming, agriculture is doing more than its fair share of meeting community expectations in the reduction of greenhouse emissions.

"WAFarmers believes that agriculture is a bigger part of the solution to climate change than it is a contributor to the problem.

"It is unfortunate that to this day, the level of research into agriculture's role in the overall debate is exceeded by knockers seeking to shift blame from the big emitters in the stationary energy sector."

Mr Park suggested that medical researchers' time would be better spent exposing the greenhouse contribution of manufactured goods responsible for the country's obesity epidemic than trying to discredit a proven health food such as red meat.

"I would be confident that the dietary benefits of lean red meat would have been highlighted in past editions of the *Lancet* and with the National Heart Foundation endorsing lean red meat as an essential component of a healthy balanced diet, calls to reduce consumption need some serious scrutiny," Mr Park said.

The report, he said, ignored the potential of technology to bring about reductions in greenhouse gas emissions in the livestock sector.

And it mostly overlooks the value of red meat in a healthy balanced diet.

SOURCE: WAFarmers Association.

### **Mixed reaction to KI's carbon eating forest**

A Kangaroo Island forest grown to soak up one million tonnes of carbon dioxide and combat global warming now has 700,000 trees.

Global computer and electronics company NEC has been growing the 895ha forest since 2002 as part of its plan to become carbon neutral by 2010.

Visiting from Tokyo, the head of the corporation's environment division, Dr Ryosuke Ugo, said it wanted to work in partnership with the Kangaroo Island people.

"We are determined to contribute to South Australia and Kangaroo Island as a good corporate citizen," he said

Planting a tree in the forest yesterday, Premier Mike Rann agreed that the company was doing the right thing and had begun its program "long before global warming and tackling climate change became a popular issue".

"I'd like to see more and more Australian companies and companies with investments in Australia actually contributing to tackling this problem," he said.

But both local Liberal MP Michael Pengilly and mayor Jayne Bates were not so impressed, Mr Pengilly saying that "I'm not a supporter of this concept".

"It doesn't add to the economy of the island whatsoever," he said.

"I don't believe it adds to the green image and I think long-term it's not in the best interests of Kangaroo Island, the people or its economy," he said.

Ms Bates believes the forest is taking up valuable farming land and wants to work with NEC to find other sites.

"We have had serious concerns with NEC coming to the island and looking to buy productive land, plant it down and taking that area of land out of production," she said.

"But I think NEC is a company with morals and ethics and I think their intentions are honourable. I think there are ways they can achieve what they want and we can benefit, too.

"There is land on this island that is degraded and needs revegetating, so why don't we try to focus their energies on that area rather than on productive land."

Recent plantings include sugar gums, acacias and casuarinas native to the island. The seed of another tree, the drooping sheoak, is food for the endangered Kangaroo Island glossy black cockatoo.

### **Coorong 'gone in 2 years'**

The Coorong's delicate ecosystem would be lost within two years unless there was an immediate increase in fresh water. University of Adelaide head of ecology and evolutionary biology Associate Professor David Paton said the ecosystem had already changed substantially from a lack of freshwater flows.

He estimated it had "one or two years" left in which it could be returned to its natural state or it would remain a salty swamp.

Professor Paton said 1500 gegalitres of water would have to be provided for River Murray environmental flows, which was unlikely during the drought and due to irrigation and urban demand.

Professor Paton said even 500 gegalitres, which would keep the system "ticking over", was unlikely to be received in time.

"I think it would be a gruelling task, even to recover it from now," Professor Paton said. "It has changed. The south lagoon is largely dominated by brine shrimps and they have been found almost half way up the northern lagoon now as well.

"Only some birds will be able to survive on it."

The Coorong is supposed to be flushed with fresh water from the River Murray as well as sea water through the Murray Mouth.

This sustains the major plant food source for birds - ruppia tuberosa - but it has disappeared from south lagoon.

The salinity of the water, now six times that of seawater, has caused fish to die, further straining food supplies.

"We've been promised and promised and promised 500 gegalitres' minimum flows which would keep the system ticking over, but we have not received it," he said.

"Politicians ignore the urgency of these issues. It's been on the books for a decade." River Murray Minister Karlene Maywald said drought and over-allocation upstream of SA had starved the Coorong of fresh water flows.

She said the Federal Government's legislation to take a national approach to managing the river needed more targets.

"It hasn't committed to setting an end-of-river (flow) target or a time frame with developing a basin-wide plan," she said.

### **Still crop hope despite hot winds**

The state's grain crop was further damaged by hot and windy weather yesterday as an official national forecast severely downgraded its size.

But hope remains that the crop will produce a larger and more valuable harvest than last year because of better crops in some areas and record prices. The Australian Bureau of Agricultural and Resource Economics September Australian Crop Report cut the national crop forecast by 30 per cent from its June estimate to 25.6 million tonnes.

ABARE acting executive director Karen Schneider said the biggest decline in yield potential had occurred in South Australia and New South Wales.

The downgrade was due to below-average winter rainfall and virtually no September rain, she said.

ABARE has forecast the SA crop would reach 5.4 million tonnes, virtually the same as Primary Industries and Resources SA's estimate at the start of this month.

But South Australian Farmers Federation Grains Council chairman Brett Roberts said the state outlook had probably dropped by about 20 per cent, or one million tonnes, since the start of this month.

Mr Roberts said there was still potential for good rain in the next month to rescue some crops, but time was fast running out. ABARE's wheat crop forecast predicts just 15.8 million tonnes and 5.9 million tonnes of barley, provided good spring rain stabilises yields at current estimates. "Yield forecasts for SA are highly variable with yields expected to range from average in the South-East to more than 60 per cent below average on parts of the western Eyre Peninsula," the report said. Callum Downs commodity analyst Malcolm Bartholomaeus said he expected a better crop than last year because a larger area had been planted, some areas still had reasonable crops and grain prices were near record levels.

If the crop reached 4.5 million tonnes, it would be worth \$1.3 billion if prices hold, well up on the value of last year's crop, he said.

Mr Bartholomaeus said most grain growers had only had one good year since 1999 and it was accompanied by poor prices.

**FarmOnLine****Soil carbon bonus a step closer**

The prospect of producers being paid for good land use management is reaching fruition this week with soil carbon credits being included in a new carbon trading platform being launched in Sydney with climate change crusader Al Gore as the guest speaker.

Pioneering soil carbon company CarbonLink Pty Ltd is a foundation accumulator and broker on the Financial and Energy Exchange (FEX), which will be officially opened tomorrow by Al Gore.

Carbon Link is in the process of verifying its first packages of soil carbon from several properties in eastern Australia. This carbon is expected to be available for trading in the coming months.

"When people think carbon they usually think trees," according to CarbonLink chief executive, and soil and agribusiness consultant Rod Rush.

"But in reality 75pc of carbon in and on the earth's land mass is in the soil.

"We have a tremendous opportunity to utilise soil's ability to absorb additional carbon through the right land management practices.

"There is good evidence to suggest that the practice of cell grazing will facilitate soil carbon sequestration.

"It is an added bonus of this managed pasture process under which livestock come on and off the pasture in a controlled fashion, with the pasture grazed for short periods, spelled while root reserves rebuild, regrow and are then grazed again.

"Producers who have made good land use decisions in the past and those who choose to adopt these practices in the future will capitalise on that because soil carbon is poised to become a tradeable resource."

This pasture management tool was introduced to Australia by Terry McCosker through his company Resource Consulting Services (RCS) in 1989.

Mr McCosker is the CarbonLink chairman.

More than 4,000 progressive Australian producers have now been trained by RCS.

The good managers are running their farms in a manner that maximises root deposition in their soils and hence fixes much more soil carbon than is held in soils grazed traditionally.

"Soil carbon can be measured by soil sampling and analysis and then traded as carbon credits," he said.

"The bigger the active root matter of pasture, the more carbon is fixed.

"The great thing is that cell grazing, unlike tree planting as a carbon-fixing option, does not lock up land and make it non-productive.

"We are still verifying our processes, but CarbonLink plans to aggregate carbon, sequestered by groups of producers who commit to grazing management practices, that over the subsequent 10 years will sequester and maintain the resource.

"For example, a 1pc increase in organic matter over a 10-year period may capture about 50 tonnes of CO<sub>2</sub> that is worth about \$1,000/ha gross before costs, at current retail prices.

"There will be a proving period for each producer about how much CO<sub>2</sub>/hectare is being sequestered, with soils analysed in the first year of a commitment and then measured again in, for example, the 5th and 10th years to calculate any gains.

"Modelling may eventually be used as the science develops to support it."

Carbon credit trading is recognised by business, environment and political leaders, as being a critical tool in managing climate change and CarbonLink is excited to be in on the ground floor.

CarbonLink will be a foundation accumulator and broker on the FEX exchange, and will be able to trade on international exchanges such as the Chicago Climate Exchange, the European Climate Exchange and the New Zealand Carbon Exchange.

\* Extract from a special report on CarbonLink in *Queensland Country Life*, September 20.

**\$52m for new groundwater plan**

The Federal Government will fund a new action plan to improve the management of groundwater resources through greater science and research, particularly on the level of connection between surface and underground water.

The \$52 million plan will also study the largely unknown quantities of groundwater in northern Australia, where it is not connected to rivers and streams.

The proposal is to use some of this bore water to start up new irrigation and mining developments.

Federal Minister for the Environment and Water Resources, Malcolm Turnbull, said the plan would help develop national definitions and standards for groundwater management, across borders, in Australia.

"Groundwater provides us with about 30pc of our water resources," Mr Turnbull said.

"Yet from a scientific point of view, groundwater has been a forgotten resource in terms of investment and improved knowledge."

Mr Turnbull also announced a \$10.5 million boost for groundwater management in all States.

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

**More interest in northern irrigation water**

With water becoming increasingly worth its weight in gold, new information on irrigation techniques is highly valued.

So when a group of researchers specialising in irrigation come together from all over Australia, it is a significant event.



Last week, the Cooperative Research Centre for Irrigation Futures (CRC IF) Annual Research Forum was held in Townsville, Qld. Held over three days, the forum was hosted by the Tropical Zone and included a field trip to the Burdekin irrigation region to view various irrigation projects down there.

In 2003 the CRC IF linked together 15 partner organisations to examine critical issues in Australian irrigation. The program has a lifespan until 2010. One of the goals of the CRC IF is to double effective water usage by that time. Ian Atkinson, CRC IF chief executive officer, said the challenge the CRC for IF accepted was to undertake and deliver research, education and training that gives confidence to growers, industry, government, and communities to invest in better irrigation, a better environment and a better future.

SOURCE: Extract from an irrigation and water feature *North Queensland Register*, September 20 issue.

#### **New allocation may cool over-heated water trading**

Allocation increases and a relaxation of rules prohibiting trade through the Murray River's Barmah Choke could potentially bring a further 110,000 megalitres of temporary water onto the overheated water market.

Irrigation allocation increases on the Goulburn and Murray rivers, announced by rural water authority Goulburn Murray Water (GMW) this week, will deliver around 90,000 megalitres of extra water to struggling irrigators on the two river systems. In addition, relaxation of rules prohibiting trade through the Murray River's Barmah Choke could potentially make a further 20,000 megalitres of temporary water available for trade on the overheated water market.

That water could potentially trade down river to Sunraysia from above the Barmah Choke farther up the Murray.

The GMW authority and Murray Darling Basin Commission this week threw open until mid December, temporary trade from zones from above the choke to downstream buyers. With temporary water prices of around \$1,000 a megalitre, the allocation increase alone potentially adds around \$90 million of water to the water market, if it makes it there.

But allocations are so low that water brokers say it's likely most water wouldn't be traded, but remain on-farm, providing little relief to buyers from record high water prices.

Managing director of Berri-based water brokers Waterfind, Tom Rooney, says Murray irrigators on a 10pc allocation and seeking to maintain permanent plantings of vines, citrus, almonds or stone fruit are offering to pay up to \$1,200/ML for water - just to keep plantings alive.

Buyers paid \$900/ML for Goulburn water traded on the GMW-run Watermove exchange last week.

Also, a small parcel of below-choke Murray water changed hands for \$825, around 13 times the \$60-65/ML paid at the start of the 2005-06 season.

"If you have 100 acres of vines or almonds there is the cost of replanting and many years of lost production," Mr Rooney said.

GMW on Monday increased the Goulburn system allocation by 3pc to 10pc and extended the season another month, to close on April 15.

It lifted the allocation on the Murray to 10pc, double the opening allocation of 5pc.

But that's a far cry from the 93pc available to irrigators this time last year and the Murray season is still due to close on March 15.

GMW said the increase added around 30,000ML on the Goulburn and 60,000ML on the Murray.

Dry conditions however, have forced GMW to further downgrade its forecasts for allocations later in the season, diminishing hopes that spring inflows would deliver a late boost to allocations.

SOURCE: Extract from *Stock & Land*, Vic, September 20.

#### **Adelaide Advertiser**

#### **Outlook grim for our 'foodbowl'**

A report on contingency planning for the Murray-Darling Basin has painted a grim picture for the nation's foodbowl.

The fourth Murray-Darling Basin Dry Inflow Contingency Planning report, released publicly yesterday by Prime Minister John Howard, says the outlook for the southern basin system declined in August.

Rainfall was below average across much of the area between June and August.

The effects were exacerbated by high temperatures and strong winds.

"Inflows received so far in 2007-08 are still well below average and are among the lowest on record," the report says.

"Due to severely depleted storages at the beginning of the 2007-08 water year, there is significantly less water in Murray System storages now than there was at this time in 2006."

The reports says salinity in Lake Alexandrina is projected to reach 2500EC in early 2008, leading to "massive fish death".

SA, NSW and the ACT agreed to the report's recommendations but Mr Howard said Victoria had refused to agree to the release of the report.

"We are dealing here with a genuine crisis," he told Parliament. "The situation is far worse than any of us would have hoped a few months ago. This is not an occasion for state parochialism; this is an occasion for total co-operation."

The report's authors, the Senior Officials' Group, recommend measures in 2007-08 to ensure there is enough water available to run the river and for critical needs in 2008-09. This includes the possibility of a collective reserve for critical needs.

The group warns of a significant risk allocations will be insufficient to avoid permanent plant losses across the Murray.

"Productivity of some crops such as citrus could also be significantly impacted by salinity in 2008," the report says.

The report also says the SA Government will make an announcement regarding the Wellington weir this month. The next report is due in October, 2007.

### **Blast for Vics over water snub**

Environment Minister Malcolm Turnbull has condemned a Victorian decision to refuse a request to supply South Australia with water for a reserve supply.

Prime Minister John Howard wrote to Victorian Premier John Brumby last week over the request, which was made in the Murray-Darling Basin Dry Inflow Contingency Planning Report.

The report, to be released today, recommends the possible establishment of a collective reserve, to be shared by the Murray Darling Basin states, to ensure sufficient water for river operations and critical urban supplies in 2008-09. Mr Brumby, however, said he had written to Mr Howard rejecting the proposal.

He labelled it "completely unacceptable" and "quite scandalous".

Mr Turnbull said Mr Brumby was "politicising" the report, to which Victorian and SA officials contributed.

The report was "as much the work of Victorian water officials as it is anyone else", he said.

"If Mr Brumby is saying Victoria will not have a bar of that, he is saying to South Australia 'drop dead'," Mr Turnbull said.

"He is just demonstrating why we needed the national plan for water security.

"This is at a moment of national crisis. For Victoria to say that, if push comes to shove, everyone downstream of Victoria should drop dead, that is un-Australian." In a letter to Mr Brumby, obtained by *The Advertiser*, Mr Howard says Victorian officials will be fully consulted on recommendations in the report.

Mr Brumby, however, said Victorian irrigators were on their lowest water allocations and should not have to give away their water.

He did not specify how much water was involved but said the deal was "talking about a fair bit of water here, a lot of water".

Premier Mike Rann called for the immediate release of the report, saying the public "has a right to know".

"In the midst of the worst drought on record, the interests of the River Murray must come first," he said.

"We need to plan for the future in case the drought and record low inflows continue."

Victoria has been the hold-out state in the Federal Government's \$10 billion water plan.

21<sup>st</sup>

### **FarmOnLine**

#### **Water crisis deepens**

A new contingency plan reporting on water availability in the southern Murray Darling Basin reveals the 2007-08 water outlook has deteriorated through August.

Irrigation allocations across much of the southern Murray-Darling Basin are still zero or very low and despite around average rainfall over large parts of the basin in the first half of this year, inflows into River Murray storages so far in 2007-08 are still well below average.

The report reveals inflows received in the 2007-08 season are among the lowest on record and says due to severely depleted storages at the beginning of this water year there is significantly less water in Murray System storages now than there was in August 2006.

At 27 August 2007 water availability was at 1500 gegalitres (about 1250 GL above critical demand).

This water is being shared under the water sharing arrangements agreed by premiers in June.

Under the water sharing arrangements (at 27 August 2007) NSW is entitled to 195 GL and Victoria is entitled to 490 GL for consumptive use.

The 13 GL of water available for environmental use is held equally by NSW and Victoria.

South Australia is entitled to 262 GL for consumptive use plus 225 GL for dilution flow and 333 GL to cover losses.

Transition to normal water sharing arrangements under the Murray-Darling Basin Agreement will not commence until total water availability reaches around 2200 GL.

The joint statement by NSW, South Australia and the ACT says State Governments understand that continuing low water availability over the coming months will particularly impact on the horticultural and other water dependant industries.

"There has already been some loss of permanent plantings in the southern MDB and there is a significant risk that allocations will be insufficient to avoid further widespread losses of permanent plantings," the report says.

It makes it clear that if below average inflows continue, the Murray System storage volumes at the beginning of 2008-09 are likely to be less than the low levels at the beginning of 2007-08.

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

#### **Water crisis: Howard pleads for no parochialism**

Prime Minister John Howard has told the Federal Parliament the Murray Darling Basin contingency report confirmed the very "parlous" state of water availability in Australia's food bowl.

He said the word crisis was not an exaggeration, with water availability at seriously low levels and deteriorating further.

He said the horticultural industry would be hardest hit, and there as now a high risk of loss of permanent plantings.

"I plead with the Victorian Premier to take the national approach that has been taken by Mr Iemma, Mr Rann and Mr Stanhope and I would like to ask him to reconsider," Mr Howard said.

"The situation is far worse than any of us would have hoped a few months ago.

"And the last thing we should have at the moment is another case of selfish State parochialism.

"We will solve this only as Australians and we have to share the pain as Australians and not behave like Victorians, or South Australians or Queenslanders or New South Welshman."

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

### **Water crisis: Victoria "wrong" on reserve plans**

Victoria's claims that a contingency report into the water availability crisis in the Murray Darling Basin is trying to divert water from Victoria to South Australia are wrong according to Prime Minister, John Howard.

Mr Howard said at last year's Melbourne Cup day water summit, it was agreed that senior officials from the Commonwealth, NSW, South Australia, Victoria, the Australian Capital Territory and the Murray-Darling Basin Commission should examine contingency planning to enable the delivery of critical water supplies.

"Last week I wrote to the Premiers of New South Wales, South Australia and Victoria and the Chief Minister of the Australian Capital Territory seeking their agreement to the release of the report," Mr Howard said.

"All except Premier Brumby agreed.

"Contrary to Mr Brumby's claims, the report does not request that Victoria - or any other jurisdiction - divert water to South Australia.

"Rather, it recommends that measures be taken in 2007-08 to ensure there is enough water available to run the rivers and for critical needs in 2008-09.

"This includes the possibility - amongst other actions - of a collective reserve to be established by the Murray-Darling Basin Commission, about which Premier Brumby expressed concerns to me last week."

Mr Howard said he wrote to Mr Brumby assuring him that officials would be fully consulted on any decisions that may be taken to ensure sufficient water for river operations and critical urban supplies, as well as other aspects of the recommendations of the overview report.

"Mr Brumby's response has been to refuse to agree to the release of the report, despite the fact that other Premiers and the Chief Minister of the ACT - who presumably have considered the same recommendation and would have similar views - have agreed.

"In addition, he has sought to misrepresent the report and its recommendations.

"Mr Brumby's actions follow Victoria's refusal to join all other jurisdictions in the National Plan for Water Security, on which the Commonwealth has been forced to adopt legislation invoking its constitutional powers."

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

### **Water crisis: What happens next?**

Governments have agreed to five principles (including the possible establishment of a reserve) that could underpin the arrangements to meet critical water supplies in 2008-09.

These principles are:

\*In managing issues around dry inflow planning, markets should be used to the maximum extent possible.

\*Arrangements (including the possibility of establishing a collective reserve) should be established by the Murray-Darling Basin Commission in 2007-08 to ensure there is sufficient water in 2008-09 to enable operation of the river and delivery of agreed flows (including 696 GL dilution flow to South Australia), as well as provisions to manage projected poor water quality (particularly salinity and algal blooms).

\* To assist South Australia to store additional reserves, South Australia should be permitted to store reserves in NSW and Victorian airspace in Murray System storages.

\*Operational decisions on the measures to be adopted, including the source, volume and timing of establishing a collective reserve should be made by the Murray-Darling Basin Commission in September 2007.

\*Jurisdictions are encouraged to allow water to be carried over from 2007 08 to 2008-09, which would be available in storages from the beginning of the 2008-09 water year.

\*South Australian carryover held in NSW and Victorian airspace in Murray System storages should have the same priority for delivery as NSW and Victorian carryover.

\*Delivery of any carry-over will depend on having sufficient water available to meet transmission losses.

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

### **Victoria revolts at plan to hand over water**

The Howard Government is facing a Victorian revolt — including from within Coalition ranks — over a radical plan to take water from irrigators to keep in reserve for South Australia.

Victorian Premier John Brumby said the proposal was "scandalous," particularly when Victorian irrigators were on their lowest water allocations.

He said he had told Prime Minister John Howard in writing that Victoria would not agree to the plan — contained in a grim report on the Murray-Darling Basin, which stressed the need for immediate action to protect communities and ecosystems.

Mr Brumby was backed by Opposition Leader Ted Baillieu, Victorian Nationals leader Peter Ryan, the Victorian Farmers Federation and irrigators' groups.

Federal Environment Minister Malcolm Turnbull said Victorian water officials were fully involved in the preparation of the report for the Federal and State governments.

"For John Brumby to try to make a cheap political trick out of this is a shocking reflection on his lack of responsibility as a premier," Mr Turnbull said.

"Mr Brumby is saying anyone down from Victoria can get lost.

"This is a national crisis; we have to look at every possible measure in the national interest."

Under the plan, part of irrigators' water allocations would be held back in dams in Victoria and NSW in 2007-08 to ensure there was enough water to provide dilution flows to SA in the following irrigation year.

A dilution flow releases large amounts of water from dams to improve water quality where there are high levels of salinity and algae.

"You're talking about a fair bit of water here, a lot of water," Mr Brumby said.

"I can't understand, for the life of me, why they would want to take water from irrigators today ... to put aside for what might or might not be required."

Sunraysia Irrigators Council chairman, Danny Lee, said the plan was outrageous because it was doubtful that many irrigators would survive the drought.

"It would not be accepted. It would cause a rebellion, I can guarantee you," Mr Lee said.

"If that water gets held back and is not given to irrigators, it will send to ruin tens of thousands of farmers and countless hundreds of industries throughout NSW and Victoria. It will create a social disaster."

Victorian Farmers Federation president, Simon Ramsay, said the other basin states were expected to provide water to SA without it making a commitment to be self-sufficient or put in place facilities such as water storages, to alleviate problems.

"We find South Australia's obscene grab for water at the expense of Victorian irrigators and other irrigators in the basin as being pretty political," he said.

SOURCE: *The Age*, Melbourne, a Fairfax Media publication.

### **Agriculture to be hit hard by climate change**

Climate change, if left unchecked, stands to reduce Australia's agricultural productivity by up to 27pc over the next 75 years, and devastate agricultural output in some of the poorest regions of the world, a study estimates.

The study, by US economist William Cline of the Peterson Institute of Institutional Economics in Washington, estimates that global warming will cut agricultural productivity worldwide by between 3pc and 19pc by 2080.

Tropical and subtropical agriculture in particular will be devastated, Dr Cline estimates, with already poor areas such as Sudan and equatorial Africa seeing agricultural productivity decline by as much as 50-60pc.

Conversely, some colder areas stand to gain, particularly if the carbon fertilisation theory — the prediction that increased carbon dioxide in the atmosphere will make plants grow faster — proves to be valid, he says.

The study, *Global Warming and Agriculture: Impact Estimates by Country*, assumes that, unchecked, temperatures will rise by 4 to 5 degrees by 2080, and estimates what this would mean for agricultural output.

Dr Cline, a long-time advocate of a carbon tax, finds that the unresolved debate over carbon fertilisation is critical to the outcome.

Assume business as usual with no carbon fertilisation, he says, and agricultural productivity would slump by 20pc worldwide by 2080, cutting the value of output by \$US186.5 billion in 2003 dollars.

In that scenario, almost all countries would suffer, with only Tibet, Scandinavia, New Zealand, Egypt and the northern US seeing productivity rise.

Australia's farm productivity would decline by 27pc, mainly in Western Australia and Queensland, Dr Cline estimates.

If the carbon fertilisation theory is correct, however, and increases plant growth by 15pc, then the net losses to world farm productivity would shrink to 3pc, a cost of \$US38 billion a year.

Global productivity overall would not decline so much as be radically reallocated — largely from the global have-nots to the haves.

Colder areas would be significantly better off, including Europe and Russia, most of China, Canada, north and central US, and New Zealand.

But warmer regions, including all of Australia, would suffer big losses.

"The estimates for Australia indicate losses of around 16pc even with carbon fertilisation, with potentially much larger losses", Dr Cline sums up.

"For Australia, one of the two steadfast opponents of the principal international initiative to date against global warming (the Kyoto Protocol), the results suggest that a more positive position on global warming abatement would be in its long-term interests."

■ The Senate yesterday agreed to a Greens initiative to set up an inquiry into the impact of climate change on Australian agriculture, and a strategy to help farmers adapt. The inquiry will be held after the election.

SOURCE: *The Age*, Melbourne, a Fairfax Media publication.



### **Election '07: Drought recovery grants top NFF wish list**

Climate grants to help farmers prepare, manage and recover from drought underpin a swag of rural policy proposals released by the National Farmers Federation as the road to the Federal election shortens.

While the lobby group will continue to push for continued and expanded drought support to help farmers right now, it believes drought preparedness is the key to future drought assistance.

NFF chief executive officer, Ben Fargher, says it is smarter to invest in more drought-resistant practices today and, over time, reduce the need for drought relief.

"If you don't start talking about preparedness, and if climate variability is with us, the community might start asking what we are doing to get in front of this situation," Mr Fargher said.

"We have done a lot, with new genetics, new technologies, new water infrastructure and we can do more, but we need to in partnership with government."

NFF wants grants based on mutual obligation, where eligible farmers match the Federal Government's funding with either cash or in-kind support to better drought-proof the sector.

And it says the grants should not be restricted to those farmers only in drought declared areas.

Mr Fargher says the grants could cover activities such as trailing new or different farming systems, improving fodder storage capacity and soil mapping.

NFF says it is "broadly supportive" of a national emissions trading scheme and insists farmers must be engaged in its development.

It wants all parties to publicly commit to providing just-terms compensation for any reduction in reliability to actual entitlements as a result of any future plan for the Murray Darling Basin.

But NFF's Federal Election Policy Platform paper, released yesterday, doesn't just focus on drought, climate and water, with policies for other thorny rural issues like quarantine, genetically modified crops, access to skilled labour and telecommunications among the proposals.

In its policy proposal, NFF says farmers must have the opportunity to adopt the method of production best suited to their, whether it is through conventional, GM or organic farming methods.

"NFF maintains that the production decisions of one farmer or groups of farmers should not unreasonably impinge on the ability of other farmers in meeting the requirements and expectations of the market they chose to meet," the policy paper said.

On quarantine, NFF said a seamless continuum of careful 'pre-border', 'at the border' and 'post-border' quarantine operations are essential.

"The recent outbreak of Equine Influenza demonstrates just how damaging and resource intensive an incursion of disease can be."

SOURCE: Rural Press National News Bureau, Parliament House, Canberra.

### **Cotton plant relies on groundwater**

NSW could be facing its smallest cotton crop in 30 years as planting approaches, with virtually no irrigation water allocations and growers relying on limited groundwater supplies or last-minute rains to bail them out in the next few weeks.

With the Border Rivers on 10 per cent allocations, the Gwydir on two per cent and the Namoi, Macquarie and Lachlan all on zero allocations, the season is off to a grim start.

Unless conditions improve, Cotton Australia estimates only 50,000 hectares of cotton will be sown in NSW – half last year's acreage which was a 20-year low.

With planting in NSW set to start in October, the prediction is for 38,000ha to go in under irrigation and 12,000ha as dryland crop.

Cotton Australia executive officer, Adam Kay, said the upside was that with the planting window open from October to the end of November there was still time for rain to turn the situation around.

"We have seen big falls on the Sunshine Coast and in the Hunter Valley, and if they had fallen just a bit to the west it could have been valuable," Mr Kay said

Growers throughout the Gwydir, Namoi, Macquarie and Lachlan valleys will primarily be relying on groundwater or stored water.

Cotton Seed Distributors general manager, Steve Ainsworth, said one upside was the high price for cottonseed which was created by the demand for stockfeed.

"When growers get their cotton ginned, there is a seed credit of \$50 to \$60 a bale," Mr Ainsworth said.

But only an incurable optimist would hope for a cotton crop this season at Bourke.

Bourke's Darling Farms managing director and Darling River Food and Fibre chairman, Ian Cole, said there was no crop last year and he expected none this year unless there were huge rains soon.

Mr Cole said the company's owners, the Buster family, had been in the Bourke district since 1966, but were just about "droughted out".

"We're in very dire straits and will have to sell up and leave," he said.

Mr Cole said Darling Farms had had only four crops in the past 10 years.

Clyde Agriculture chief executive officer, David Boyd, said no realists would predict a crop at Bourke this season. With all water storages empty even the cotton paddocks sown to wheat after June rain, were teetering on disaster. "We've seen big wheat sowings, but to see the crops get away to a great start, only to now be stumped, is devastating," he said. Macquarie Valley Food and Fibre chairman and Auscott general manager at Warren, Chris Hogendyk, said as far as cotton was concerned, there would be almost no point planting this season.

"We would normally grow up to 4600 hectares of cotton, however, we have prepared 2500 hectares of core beds," Mr Hogendyk said. Mr Hogendyk said the water level in Lake Burrendong would have to rise to at least 27pc before authorities would give any allocations.

Auscott had sown 4050ha of grain crops, up to 900ha of canola and 3500ha of wheat as a normal practice.

"There is a couple of long fallow fields holding up, but basically the rest is written off," he said.

SOURCE: *The Land*, NSW, published September 20, 2007.

#### **Adelaide Advertiser**

#### **Dire drought warnings for Alexandrina**

Water levels in Lake Alexandrina are predicted to drop a further 1.5 metres next year if the drought continues into 2008. The Federal Government's *Murray-Darling Basin Dry Inflow Contingency Planning Overview Report* has outlined water levels in the River Murray and Lower Lakes would fall 75cm in the next six months.

Warm summer weather would evaporate the water and the river flows that would normally supplement levels would not eventuate.

The level would continue to fall without river flows.

It has already fallen by more than half a metre in the past year.

The falling lake level is not expected affect the water supply of towns on the lakes' edge but will prevent farmers from using the water for irrigation and stock.

22<sup>nd</sup>

#### **Adelaide Advertiser**

#### **\$200m drought lifeline**

The Federal Government is considering throwing thousands of drought-affected small businesses a lifeline in a pre-election bid to shore up rural support.

Drought assistance could be extended to grocers, butchers and country hotels, under a small-business plan being considered by the Howard Government.

Sources said the plan could cost up to \$200 million, forming part of a massive bailout for the bush.

But it could be blocked by senior ministers desperate to keep a lid on spending in the lead-up to the poll.

In full election mode yesterday – and with the Coalition worried about losing several regional seats to Labor – Prime Minister John Howard confirmed a generous regional package would be unveiled next week.

Opposition Leader Kevin Rudd also stepped up his pitch to regional Australia, announcing a \$60 million plan to help farmers cope with drought.

Campaigning in the town of Walgett in far north-west New South Wales, the Labor leader said the money would go to fund projects to try to find more efficient farm practices.

And he called the drought "a stark reminder of the emerging reality of a changing climate".

But Labor's modest announcement will be dwarfed by the Government's bailout, which could be announced as early as Tuesday.

Mr Howard confirmed the package will ease the off-farm assets and income test. This will make it easier for farmers to receive drought relief in Emergency Circumstances-declared regions.

The Prime Minister also said Government will look at other ways to help rural towns, suffering as farm incomes are cut by the worst drought on record.

"We've not taken decisions on them but we'll consider all the other details of this additional assistance and that will be announced ... after the Cabinet meeting," he said.

Farming groups and Coalition backbenchers have been lobbying for greater assistance for the bush, amid concerns that thousands of farmers face catastrophic crop loss due to the drought.

#### **WATER CRISIS: Receding river threatens farming**

#### **Clock ticking on dire Murray prediction**

Water levels in lower reaches of the River Murray and its estuarine lakes are predicted to fall below sea level as the drought enters its third year.

The lower end of the river is fast drying out, prompting the need for emergency reserves to be developed upstream.

Water is slowly being sapped from the river downstream of Lock 1 at Blanchetown, because it is not being replenished.

Farming is coming to a standstill as water recedes further from the edges of lakes Alexandrina and Albert and allocations fail to meet crop needs. The South Australian and New South Wales governments have committed to developing reserves in more water storages interstate to protect critical water needs in SA in case the drought continues into 2008-09.

But Victoria has rejected a request for more water to be sent downstream on the grounds that its own irrigators are also desperately short of supply.

Water Security Minister Karlene Maywald said there should be a national approach to manage the drought.

"All jurisdictions should be working with the Commonwealth in the national interest," she said.

The SA-NSW agreement is part of the Federal Government's fourth Murray-Darling Basin Dry Inflow Contingency Planning Report, which predicts water levels below Lock 1 will fall from 25cm above sea level now to 50cm below sea level within six months. It predicts salinity could reach 2500EC in Lake Alexandrina – almost three times World Health Organisation standards for drinkable water – by early next year.

The lake's level is lower than it was at the end of last summer.

Meningie farmer Dennis Chandler considered installing a desalination plant on his property to ensure his cattle had a fresh water supply. But he could not justify the cost without a guarantee the pumps could reach the lake water.

"We'll probably move the herd because if the lake goes down one metre, it makes it hard to dig a channel almost 1600m into the lake," he said. "Even then, the wind could push the water to the other side of the lake and we might not get it back for three or four days."

Lake fisherman Henry Jones doubted that large-scale fish deaths would occur because stocks were still high. "Although if they put the weir (proposed for Wellington) in and dam the lake, it is going to be really salty and everything will die," he said.

Some trees and vines have already died and the report says allocations may not prevent further widespread losses.

### **DROUGHT: Top students want to find answers**

#### **Young join search for answers**

Adelaide's youth believe wiser water use and expansion of infrastructure will resolve the state's water crisis and eliminate the need for water restrictions.

Four of the state's brightest minds have outlined to *The Advertiser* what they believe should be done to safeguard South Australia's water supplies.

All four won awards in this year's Oliphant Science Awards, presented earlier this month, for writing essays on the topic How do we manage the fresh water shortage?.

Stormwater reuse and desalination powered by renewable energy were options they felt should be instigated by governments.

They also believed the community had a major role to play by curbing wasteful water use instead of relying on others to come up with ways for more water.

But the four students were not concerned they would grow up in a future without water and felt solutions would be found.

Michael Huxley, 15, from St John's Grammar School, said more must be done to access resources we do not currently use.

"It's the most important resource we have," he said.

Georgina Heddle, 14, from Annesley College, said the burden to resolve the crisis should not lie with governments alone.

"Water is an important issue and government and communities should be working together," she said.

Alice Lynch, 12, from Seacliff Primary School, said if people managed their water use more wisely, such as taking shorter showers, it would go a long way to sharing what we have now.

"Everyone can help to change the water crisis and I think everyone should do their bit to help," she said.

Mitchell Brunner, 9, from Stirling East Primary School, said ways to get more water needed to be found. "We need it to live," he said.

Alice Lynch, Year 7, Seacliff Primary School

Saving water is not just a selfish act so we can have beautiful lawns and long showers but, more importantly, it is needed for the survival of generations of people, animals and plants.

Rather than water restrictions, we need to find smart ways of conserving and managing the water we have.

We can cut the time we spend in the shower. Use dual flush toilets, flow "restrictors" and low flow shower heads and reuse greywater on plants.

Use a dripper system with a timer in gardens. Choose drought-tolerant lawns and plants and not water them as often. We can use mulch and ground covers to decrease evaporation and erosion.

By doing these simple things, we can conserve water and set in place habits we can pass on.

Georgina Heddle, Year 8, Annesley College

Fresh water is our most precious resource yet the availability of quality fresh water is diminishing and demand is increasing twice as fast as human population growth.

We must use water to its full efficiency in agriculture, industry and at home – not only using less water but also preserving use of fresh water for where it is needed.

We need to provide more water through such traditional catchments as reservoirs, gutters and rainwater tanks; directing storm water into wetlands to regenerate subterranean reservoirs and recycling sewage water.

Areas that need debating and decisions include transport of water from areas of high rainfall to where it is needed and building of desalination plants.

**Michael Huxley, Year 9, St John's Grammar School**

South Australia is struggling through drought and cannot continue to draw on the dwindling River Murray.

As Adelaide is beside the sea, desalination, powered by the sun, wind and currents, is a viable strategy. The primary problem is concentrated saline solute removed in desalination, decimates the marine environment when returned to the sea. This is specifically applicable to our situation because of the Gulf's lethargic tidal circulation. If the plant is positioned elsewhere or the salt pumped to Dry Creek desalination becomes viable. That, with recycling of effluent and storm water (currently only 15 per cent), would reduce reliance on the Murray.

Mitchell Brunner, Year 5, Stirling East Primary

The first suggestion is to build a desalination plant at Port Lincoln or on Yorke Peninsula, or Fleurieu Peninsula. We would have lots of water to use in big areas of the state.

We also could build a system that takes the water from the stormwater drains, filters it and sends it to houses as tap water. Storm water then does not just go out into the sea.

Or we could use the same idea except that when the rain falls the water goes into the gutters, gets filtered and goes into underground storage.

We also could build pipes under roof gutters of houses which would filter rainwater to be used inside the homes.

Another idea is we could build a system that when you wash your hands the water will only run for 10 seconds.

24<sup>th</sup>

### **FarmOnline**

#### **Drought now a tourist attraction**

In a new initiative to offset the economic impact of the drought on rural communities, the Federal Government is pumping \$4.8 million into 35 tourism projects in the bush, but the plan has raised suspicions of election-year pork barrelling.

Tourism Minister Fran Bailey said the devastating impact the drought has had on regional Australia had prompting the new campaign by the Australian Tourism Development Program to lure visitors to the bush.

"Through this initiative, the Australian Government is helping local communities boost tourism and create jobs," Ms Bailey said.

The tourism industry accounts for more than 200,000 jobs and injects more than \$32 billion into regional Australia.

"This funding will help local regions diversify and deliver a lasting economic benefit," Ms Bailey said.

But the program has copped criticism for being election-year pork barrelling, with the *Australian Financial Review* reporting that 27 of the 35 projects are in seats held by the Coalition.

Projects offered funding include:

- Eyre Highway Operators Association – \$331,000 for its Nullabor links project, the world's longest golf course. The 18-hole course over 1365km has a hole in each participating town or roadhouse on the Eyre Highway, from Kalgoorlie (WA) to Ceduna (SA);
- HP Farmstay, near Rockhampton – \$100,000 for an eco tourism complex on Hedlow Creek, Barmoya, which is being developed with full disabled access; and
- Outback NSW Regional Tourism Organisation – \$500,000 for the Darling River Run project which promotes the Darling River Run extending from the Matilda Highway in northern NSW to the Murray River.

SOURCE: National rural news updated daily by *FarmOnline*.

#### **Drought: Howard pledges more aid, easier criteria**

Prime Minister John Howard say farmers struggling with the drought will be able to access further financial relief after a another easing in tests on their income and assets.

Federal Cabinet will meet on Tuesday to decide on details of the new plan before it is announced, he said.

It follows from the Federal Government's announcement on Monday to hand farmers an extra \$430 million in drought relief as the prospect of spring rain faded.

Mr Howard said then that the money would go to regions already receiving funds under the exceptional circumstances program, along with areas in Western Australia and Tasmania not yet receiving aid.

"I can inform farmers that in addition to the extension of the exceptional circumstances that I announced last week, the government has decided that it will ease the off-farm income and assets tests," Mr Howard told Brisbane radio this morning.

"The precise extent of that easing will be announced after the Cabinet meets in Sydney next Tuesday," he said.

"But I can inform farmers that amongst the additional measures that we are going to bring in order to help them through this very severe drought is that we will respond to their requests to ease the off-farm income and assets test.

"What happens is that as farm incomes dwindle, one or other of a couple on a farm have to work more off the farm and we liberalised the income test last year.

"We are going to liberalise it further and we are going to do the same in relation to the assets you might earn off the farm which might affect your entitlement to the various benefits under exceptional circumstances."

SOURCE: AAP

#### **Doubts raised over trees for carbon plan**

Trees planted as part of a Federal Government scheme to make offsetting greenhouse gas emissions tax deductible will not have to be native varieties and there will be no legal mechanism to prevent them being chopped down.



Legislation creating a tax deduction for the cost of carbon sink forests was debated in the Senate yesterday, with the Greens raising concerns about the extent to which the scheme would be environmentally beneficial.

"This tax amendment provides for the planting of so-called carbon sinks, but there is no definition of a carbon sink ... The important thing is that there is no requirement for the trees to stay in the ground for any length of time," Greens Senator Christine Milne said.

The Greens want the legislation amended so that trees that are planted to create a sink are natives, must remain in the ground for at least 100 years and must first be subject to an assessment of the amount of water it would take to sustain them.

Senator Milne predicted a riot in rural Australia at the idea companies would "effectively use their profits to take land out of agricultural production and take water out of agricultural production" to create sinks.

But the Government refused to back the amendments, accusing the Greens of being "anti-forestry and anti-trees".

"Providing carbon sinks is either important or it is not ... If we believe greenhouse gases are a real problem then we should be encouraging this type of activity," the Minister for Forestry and Conservation, Eric Abetz, said.

The tax deduction was announced in the May budget as part of a Government response to the growing trend for carbon offsets.

Companies globally are scrambling to offer offsets as a way of assuring consumers the firms' products are not contributing to climate change.

But concerns have been raised about the lack of regulation of the schemes in Australia, with several companies found not to have planted the trees they promised to.

Carbon sink trees also face the risk of bushfires.

Ideally, offsetting allows companies to plant enough trees to trap the same amount of carbon dioxide and other greenhouse gases that would be created by the manufacture of their products.

Environment groups remain wary of the schemes, fearing profiteering in the new market and claiming there is too long a lag time between when the pollution is generated and when the tree absorbs carbon dioxide.

SOURCE: *Sydney Morning Herald*, a Fairfax Media publication.

#### **Irrigators urged to lease out water to save orchards**

Producers of annual crops across the Murray Darling Basin are being urged to lease their water to irrigators trying to save permanent plantings.

South Australia Murray Irrigators chairman, Ian Zadow, said the proposal was not new, but the window of opportunity would rapidly close unless annual crop irrigators acted soon.

He said the State Government's decision last week to increase irrigation allocations to 16pc was still well short of what is required to keep trees and vines alive in this State.

"We see a lot of sense in irrigators of annual crops - like potatoes and onions - leasing their water to irrigators who need to keep their trees alive," he said.

Mr Zadow said SAMI would like to see this approach adopted across the Murray Darling Basin.

"If all irrigators producing annual crops left their machinery in their sheds this summer, there might be enough water left to keep alive the \$9 billion worth of permanent plantings right across the Basin," he said.

Mr Zadow estimated that SA irrigators with permanent plantings would need an additional 200 gegalitres to keep their orchards and vineyards alive.

"It is our belief that a lot of annual croppers are holding out in the hope that their allocations will be increased to levels that will allow them to plant a crop," he said.

"All the information we are receiving at the moment suggests that a 20pc allocation is as high as it will go.

"There is a lot to be said for getting a good return by leasing water now to irrigators anxious to keep permanent plantings alive."

SOURCE: *Murray Valley Standard*, Murray Bridge, SA, a Rural Press publication.

#### **AWA**

Water Corporation, WA's state owned water monopoly, has anticipated the likely introduction of private sector competition by moving to draw up plans for a formal regime that would allow third party access to key water infrastructure.

The key message 'Murray Darling Basin Dry Inflow Contingency Planning' report is that the 2007-08 Water Availability outlook for the southern MDB is serious and has deteriorated through August. Irrigation allocations across much of the southern MDB are still zero or very low. Governments have agreed to five principles (including the possible establishment of a reserve) to meet critical water supplies in 2008-09.

#### **Prime Minister's media release**

##### **Dry inflow contingency planning in the Murray Darling Basin: fourth report**

First Ministers have received the fourth Murray-Darling Basin (MDB) Contingency Planning Report from senior officials. The Premiers of New South Wales and South Australia and the Chief Minister of the Australian Capital Territory have agreed to the Report's recommendations.

Unfortunately the Premier of Victoria has said he is unable to agree to the report through public remarks that misrepresent its recommendations and the position of the Commonwealth. This is regrettable and prevents a joint statement by all First Ministers. I have therefore decided to release the report in full.

The key message of the report is that the 2007-08 water availability outlook for the southern MDB is serious and has deteriorated through August. Irrigation allocations across much of the southern Murray-Darling Basin still zero or very low.

Despite around average rainfall over large parts of the MDB from January to July 2007, inflows into River Murray storages so far in 2007-08 are still well below average. Inflows received in the 2007-08 season are among the lowest on record. Due to severely depleted storages at the beginning of this water year there is significantly less water in Murray System storages now than there was in August 2006.

At 27 August 2007 water availability was at 1500 GL (about 1250 GL above critical demand). This water is being shared under the water sharing arrangements agreed by First Ministers on 20 June 2007. Under the water sharing arrangements (at 27 August 2007) NSW is entitled to 195 GL and Victoria is entitled to 490 GL for consumptive use. The 13 GL of water available for environmental use is held equally by NSW and Victoria. South Australia is entitled to 262 GL for consumptive use plus 225 GL for dilution flow and 333 GL to cover losses. Transition to normal water sharing arrangements under the Murray-Darling Basin Agreement will not commence until total water availability reaches around 2200 GL.

Governments understand that continuing low water availability over the coming months will particularly impact on the horticultural and other water dependant industries. There has already been some loss of permanent plantings in the southern MDB and there is a significant risk that allocations will be insufficient to avoid further widespread losses of permanent plantings.

Water users will need timely and accurate forecasts of water allocations over coming months, so that they can make key management decisions. To ensure that information is available for this purpose, governments will continue to work closely with industry associations and stakeholder groups.

If below average inflows continue, the Murray System storage volumes at the beginning of 2008-09 are likely to be less than the low levels at the beginning of 2007-08. Governments have agreed to five principles (including the possible establishment of a reserve) that could underpin the arrangements to meet critical water supplies in 2008-09.

These principles are:

- i. In managing issues around dry inflow planning, markets should be used to the maximum extent possible.
- ii. Arrangements (including the possibility of establishing a 'collective' reserve) should be established by the Murray-Darling Basin Commission in 2007-08 to ensure there is sufficient water in 2008-09 to enable operation of the river and delivery of agreed flows (including 696 GL dilution flow to South Australia), as well as provisions to manage projected poor water quality (particularly salinity and algal blooms).
- iii. To assist South Australia to store additional reserves, South Australia should be permitted to store reserves in NSW and Victorian airspace in Murray System storages. (It is noted that South Australia is able to access some or all of the volume needed to meet critical requirements from volumes provided for dilution and loss purposes.) To assist the ACT, storage arrangements may need to be negotiated with NSW and Snowy Hydro Ltd.
- iv. Operational decisions on the measures to be adopted, including the source, volume and timing of establishing a collective reserve should be made by the Murray-Darling Basin Commission in September 2007, taking into account SOG recommendations.
- v. Jurisdictions are encouraged to allow water to be carried over from 2007-08 to 2008-09, which would be available in storages from the beginning of the 2008-09 water year. South Australian carryover held in NSW and Victorian airspace in Murray System storages should have the same priority for delivery as NSW and Victorian carryover. Delivery of any carry-over will depend on having sufficient water available to meet transmission losses.

The August 2007 overview report is available on the Commonwealth Department of the Environment and Water Resources website at: [www.environment.gov.au](http://www.environment.gov.au).

20 September 2007

Sydney Water's submission to the Independent Pricing and Regulatory Tribunal (IPART) seeking price rises to fund commitments under the Metropolitan Water Plan, including desalination, new operating licences, recycling and demand management, is available on the IPART website. The proposal would increase average water bills from \$820 in 2007-08 to \$1,095 in 2011-12.

Under the Victorian EPA's Environment and Resources Efficiency Program, the state's largest water and energy users will be required to assess their environmental resource use and waste generation, develop an action plan and report on implementation of the plan.

Victoria's \$3.1 billion desalination plant will be delivered as a Public Private Partnership (PPP). A Project Information Office has been opened in Wonthaggi to inform the local community about progress of the plant.

The South Australian Government is launching a major radio, television and print Information Campaign to inform the community of the state's water issues, to raise awareness on water supply, recycling programs, desalination and storage options, and to encourage communities and households to be water smart.

Perth's KWINANA desalination plant will shut for maintenance for the first time since it opened. October was judged an appropriate time since good winter/spring rains that have boosted overall capacity of the dams to beyond 40% and it was before water demand ramped up for the summer.

The Queensland's Labor State Water Minister has said that Nationals Senator Barnaby Joyce must get a commitment from Malcolm Turnbull that Queensland water plans will not be changed every time the NSW National Party says they should be.

Nominations for the Prince Sultan Bin Abdulaziz International Prize for Water 2006-2008 close 31 December 2007. The five prizes reward innovative academic and scientists in the realm of water resources - Surface Water; Ground Water; Alternative Water Resources; Water Resources Management and Protection; and Creativity (for water breakthroughs).

USEPA water officials are backing away from a 2008 target of having 95% of people served by community water systems (CWSs) receive water that meets all Health-based Standards.

A national organisation in US that represents state water pollution control agencies called on Congress to write specific language to prohibit USEPA from making Clean Water Act Section 106 set-asides (proposals to limit monitoring funds to statistically representative programs). It believes those funds should be available in part to fund monitoring for TMDLs and NPDES.

This year, Scotland's beaches have suffered their worst sewage pollution in six years, according to the Scottish EPA with seven officially designated bathing waters have failing the basic safety limits, along with seven other popular beaches, a failure rate the highest since 2001, as is the average level of faecal contamination.

The Mediterranean Sea has grown warmer by up to 2oC recently. In the Tyrrhenian Sea and Adriatic Sea, temperatures at a depth of 100 m are getting so high that marine life is less numerous and the ocean is not absorbing as much carbon dioxide.

The Paroo River Wetlands, on New South Wales' last unregulated river, has been added to the Ramsar Convention that protects the world's most significant wetlands.

### **World-renowned wetlands protected**

One of the state's most important and vulnerable bird breeding wetlands in the Murray-Darling basin has been granted international recognition and will be protected as an area of national environmental significance by the Federal Government.

The Paroo River Wetlands in north-west NSW, which supports tens of thousands of waterbirds and internationally migrating birds, is connected by the last free-flowing river in the northern basin.

It has been added to the Ramsar Convention, the international treaty that protects the world's most significant wetlands. The Environment Minister, Malcolm Turnbull, will announce the listing today and described the inclusion of "the magnificent Paroo River Wetlands" as one of the most important systems for waterbirds in eastern Australia.

The wetlands support several threatened species including painted snipe and freckled ducks and are a drought refuge for many others.

It covers about 138,000 hectares and includes the Nocoleche Nature Reserve west of Bourke.

A wetlands expert from the University of NSW, Dr Richard Kingsford, last night described the Ramsar listing of the Paroo Wetlands as "fantastic", saying it would offer a greater degree of protection from upstream development under federal legislation.

Yesterday Mr Turnbull also announced that deep groundwater supplies and using aquifers to store stormwater would be examined as part of further attempts to boost water supplies.

Mr Turnbull said \$52 million would be spent on working out how much of the "forgotten" resource there was and what could be done with it.

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Producers of annual crops across the Murray Darling Basin are being urged to lease their water to irrigators trying to save permanent plantings.

Industry supports Sydney Water's submission to IPART to increase water prices. AWA's Tom Mollenkopf was quoted "we can't, on one hand, talk about the need to value water and, on the other hand, criticise the water authority when they ask us to bear the cost of investing in water security."

Average household water bills price rises proposed by Sydney Water will be staggered from 2008-09 to 2011-12, will cause "pain" but are a necessity, according to Dr Kerry Schott. Sydney Morning Herald, 18 September.

The operating contract for Sydney's desalination plant shows that fixed costs will be levied on Sydney Water by the operator Blue Water Consortium, regardless of whether the plant runs.

The SA state government has identified three possible sites for locating a desalination plant to provide up to 25 per cent of the city's drinking water.

### **Adelaide Advertiser**

#### **Rann to make drought poll issue**

**DROUGHT relief will be a major issue for South Australia in the federal election campaign, Premier Mike Rann signalled yesterday.**

Mr Rann said drought needed to be "at the forefront of the coming election".

"Here is a \$17 billion federal surplus and SA has been hard hit by this drought," he said.

His comments came as he flew to the state's West Coast to talk to farmers and communities struggling to cope with the impact of the drought.

"We are here to listen, learn and then advocate," Mr Rann said. "The drought is impacting savagely on the Eyre Peninsula. We have to work in partnership with the local community."

Acting Agriculture Minister Patrick Conlon and PIRSA chief executive Geoff Knight are also on the two-day tour.

Mr Rann's visit comes on the eve of a federal Cabinet meeting aimed at finalising details of further drought assistance.

Prime Minister John Howard said on Friday that farmers struggling with the drought would be able to access further financial relief after another easing of tests on their income and assets.

On Monday last week, the Federal Government handed farmers an extra \$430 million in drought relief as the prospect of significant spring rain faded.

Mr Howard said exact details of how the income and assets tests would be eased will be announced after the Cabinet meeting in Sydney. Mr Rann's first stop yesterday was at the farm of Richard and Lorraine Deakin at Tuckey, between Cleve and Lock.

They have a cereal and grazing property and have been hit hard by the drought.

The Deakins have been innovative and used new technology to improve sustainability and viability on their property.

They are approved for an interest rate subsidy but Mr Deakin says they are having a difficult time surviving. Mrs Deakin said times were tough and she and her husband had been forced to plough their retirement funding back into the farm to survive.

"Things are shocking," she said. "It is so disheartening.

"Last year was the drought to end all droughts and this year was just the end of it.

"In 2005, we sold 6000 tonnes of grain and still had to borrow money to put in the next year's crop." Her son Lincoln Gerloff, who has the property next door, said the feeling in the whole community was "down".

"I have been farming here for 25 years and the last few years have really taken the shine off," he said.

Mr Rann said Eyre Peninsula farmers had shown the way by adopting new technologies and farming practices.

He said many were coping a lot better than they would have had they not taken up some of these new techniques involving things like seed drilling.

"The only problem is, it's not raining," he said.

25<sup>th</sup>

### **FarmOnLine**

#### **Drought to bring decade of pain: McGauran**

Some farming districts will take more than a decade to recover from an unprecedented drought crisis, Agriculture Minister Peter McGauran says.

But with a Federal election looming, some help is on the way, with the major parties pledging support for farmers over the weekend.

Cabinet will meet in Sydney tomorrow (Tuesday) to decide on new measures to help farmers on the brink of ruin.



Campaigning in far north-western NSW on Friday, Opposition Leader Kevin Rudd said a Labor Government would provide \$60 million over three years to help farmers respond to climate change.

Under the plan, scientists and farmers would work on pilot projects to identify better agricultural practices.

"This is about keeping Australian farmers on the land by helping them to prepare for climate change and increasing drought," Mr Rudd said.

Speaking at the Victorian Rural Press Club, Mr McGauran said the combination of low rainfall, minimal water storage and high temperatures was unmatched in Australia's history.

He said the conditions would test the "most experienced of nerves".

After lobbying from farming groups, eligibility criteria for income support and interest rate subsidies will be relaxed. Off-farm income and asset tests that prevented many farmers and their partners, who are forced to work off the land to supplement their income, from receiving benefits will be eased.

Victorian Farmers Federation president, Simon Ramsay, said: "When you consider that over 60pc of farmers are not eligible for (assistance) yet obviously are facing hardship, we have to look at the criteria and see where we can fine-tune it."

Mr McGauran also indicated that support specific to horticulturists and other irrigators in the Murray-Darling Basin may be introduced. Irrigation allocations are still either at zero or barely a trickle.

Irrigators in Victoria's Murray irrigation district have been ensured only 10pc of their water entitlements so far.

Citrus and grape growers are already bulldozing and pruning wilting crops, while dairy farmers unable to irrigate pastures are struggling to feed their stock.

"We know from experience that recovery to full production from a drought event like this can take between seven to 10 years," Mr McGauran said.

"It could be longer than this if we lose significant areas of permanent plantings."

Despite the minerals boom, the drought contributed to a 0.75pc drop in gross domestic product last financial year.

Mr McGauran said the economic impact could be even greater severe this year.

SOURCE: *The Age*, Melbourne, a Fairfax Media publication.

#### **Drought: Groundwater 'at risk from pollutants'**

Australia's groundwater reserves are increasingly at risk from industrial pollutants during the current water shortage crisis, an expert has warned.

University of Technology, Sydney, environmental scientist, Dr Grant Hose, says chemical and fuel spills and seepage from contaminated industrial sites often ends up in groundwater.

"Australians use almost 1500 gigalitres of groundwater every year, and some communities depend entirely on it," he said.

"In cities like Perth, Newcastle and Wagga Wagga, it is a major component of the household and industrial water supply."

Dr Grant said Australia's 100,000 potentially contaminated sites would, in most cases, be leaking contamination into aquifers running beneath them.

He said until the current water shortage, it was largely a case of "out of sight, out of mind", but Australia needed to put as much effort into protecting the quality of its groundwater's and their ecology as it did its surface water resources.

"Current water quality guidelines treat groundwater as if it were the same as surface water - which it is not," Dr Grant said.

"For one thing, it has a completely different and unique ecosystem - one which can easily be damaged or killed by toxins leaching in from above."

The Federal Government last week announced a \$52 million plan to expand its knowledge of groundwater reserves, particularly the relationship between groundwater discharge and aboveground springs, creeks and important ecosystems.

SOURCE: AAP

#### **Water trade now allowed below the Barmah Choke**

Extra water is now flowing downstream of the Barmah Choke on the Murray River, following a decision by the Victorian and NSW governments to allow water trade across the natural barrier.

Victorian Water Minister, Tim Holding, says the two governments agreed to lift normal constraints on water trade on the Barmah Choke following a request from the Murray-Darling Basin Commission to allow limited trade in water allocations below the Choke.

Mr Holding said the rules provide greater flexibility and opportunities for irrigators.

"This opening up of trade gives some buyers and sellers access to a broader market and will help some irrigators to manage through these difficult times," Mr Holding said.

"It allows water in the upstream section to be available on the market to downstream buyers."

The Barmah Choke is a narrow section of the River Murray, upstream of Echuca, where flow is limited in a normal season.

Trading rules normally prevent trade downstream so that demand downstream of the Choke does not exceed its delivery capacity.

Trade constraints are being lifted because of the continuing dry seasonal conditions, low irrigation allocations and spare capacity in the Choke.

**Adelaide Advertiser****Downer: Move on from Kyoto**

Australia will call on world leaders to move beyond the Kyoto protocol to flexible strategies to reduce greenhouse gas emissions.

**Vineyards set for smaller harvest**

Australia's \$3 billion wine export industry would suffer as grape supplies swung back from a glut to a shortage next year, a Wine Industry Drought Taskforce warned yesterday.

The taskforce blamed reduced water allocations in Australia's irrigated regions, which produce 65 per cent of Australia's total harvest, for an expected 800,000 tonne to 1.3 million tonne vintage, down from 1.9 million tonnes this year.

Taskforce member and Winemakers Federation of Australia chief executive Stephen Strachan said wineries would move to import wine for cask products, depending on the outcome of the season, to bolster wine exports next year.

"(The harvest forecast) is down further than we expected it would be," he said.

"We're now talking about exports dropping and potential for (bulk wine) imports.

"It's been a dramatic turnaround." WFA and Wine Grape Growers Australia based forecasts on their own modelling, which would be refined as the season progressed.

"However, we know for certain that yields will be down dramatically in those regions relying heavily on irrigation water from the Murray Darling," WGGGA executive director Mark McKenzie said.

Hardest hit would be South Australia's Riverland and Victoria's Murray Valley where water allocations were 10 to 16 per cent of full allocations respectively.

New South Wales' Riverina district had been allocated enough Murray River water to meet critical supplies for essential human needs, permanent plantings and essential industries, he said.

Mr Strachan said Australia's wine surplus would disappear into a shortfall for many Australian wineries as a consequence of severe drought conditions.

Australian Wine and Brandy Corporation information and analysis manager Lawrie Stanford expected to report a more accurate 2008 grape harvest forecast on November 27.

He said the AWBC, for the first time, was taking into account grape yields from lower water allocations in irrigated regions.

"There's a fair bit of season to go . . . opening rains were better than last year although rains have dried up like last year," he said.

**Farmers plead: Help us find work**

Eyre Peninsula farmers are looking to the mining industry to earn them enough money to stay on their drought-ravaged farms.

They cannot sell their properties because of low prices but they can earn big dollars working at Olympic Dam or Prominent Hill in the Far North.

Farm workers are also looking at the mining boom for future job prospects, knowing the drought-stricken farmers are having trouble paying their wages.

Wirrulla farmer Ian Evans said "none of us want to work in the mines but we might have no choice".

"We know the mines are there and we can come back to work on the farms," he said. "But we don't want to leave our local communities and we certainly don't want to lose our farms."

Mr Evans told Premier Mike Rann yesterday that even if his farm was left sitting without any work being done on it, it cost \$1000 a week.

During a series of meetings yesterday, farmers raised the issue of working in the mines but constantly warned of the impact on family life because of the huge travel time to get from central Eyre Peninsula to Olympic Dam or other mines further north.

They pressed him to talk to the mining companies about regular air services between Olympic Dam and regional towns such as Wudinna and Cleve.

"It only takes about 75 minutes to fly from Wudinna to Roxby Downs," Mr Rann said. "We should be looking at using some sort of leverage with the mining companies so they put something back for all the people they are taking out of these communities."

Farmers at Wirrulla told Mr Rann two of their neighbours were leaving this week to work at Olympic Dam while another said their farm workers could earn up to \$2000 for six days of work at the mine and "why would they come back here to \$600 a week".

Other farmers across the peninsula have put their names down for jobs with the mining companies.

Sean O'Brien, who has a mixed livestock and grain property near Kyancutta, said it was fine for young people to be looking for work off farm.

"But we have this middle generation of farmers with young kids who are now talking about putting their land on the market and don't want to do it," he said.

"You really have to protect this group of people. They are the community leaders, the sort of people who run the local footy clubs."

Mr O'Brien said both federal and state governments should consider providing opportunities for drought-hit farmers to get work closer to home.

He advocated a return to the old rural employment development scheme (known as REDS) which gave rural people the opportunity to work on infrastructure projects in their local areas. "We can look at more environmental work, working on fencing our national parks, keeping the weeds down in the parks and getting rid of rabbits," Mr O'Brien said.

26<sup>th</sup>

### **FarmOnLine**

#### **Drought aid: Another \$714 million**

Farmers will have better access to drought assistance thanks to a major expansion of drought assistance measures announced today by Prime Minister, John Howard.

The package is in addition to the \$430m in extra funding announced by the government last week.

Irrigators and small business in particular will have greater access to help for which they were previously not eligible to apply.

The announcement includes:

- An increase in the off-farm income exemption from \$10,000 to \$20,000 (\$33m).
- An increase in the off-farm assets limit for access to the exceptional circumstances (EC) interest rate subsidy from \$470,000 to \$750,000 (\$143m).
- Immediate access to the \$5,000 professional advice and planning grants for farmers in EC declared areas (\$26m).
- An extension of the eligibility criteria of small business access to EC assistance to include all small businesses in towns of up to 10,000 people which have a significant reliance on farmers for their income (\$142m).
- Grants up to \$20,000 for irrigators in the Murray Darling Basin to implement water management strategies in response to reduced allocations (\$66m).
- An exit grant of up to \$150,000 for farmers who decide to leave the land, and an increased assets limit of \$350,000, to access the grant (\$150m).
- A further \$10,000 to be available for advice and retraining, and up to \$10,000 for relocation expenses also to be available to those who take up the exit grant (\$20m).
- Information workshops to assist irrigators manage their farm businesses with reduced water allocation (\$7.5m).
- Funding for an additional 13 rural financial counsellors, 10 Centrelink rural support officers, and a further five social workers (\$8m).
- Additional social and emotional counselling through the establishment of 25 family support drought response teams (\$11m).
- An increase of \$1,000 for the assistance for isolated children additional boarding allowance (\$8m).
- Up to an additional \$10,000 per school in EC declared areas (\$46m).
- An additional \$4.5m for the emergency relief program to fund community and charitable organisations to provide emergency assistance.

SOURCE: Breaking national news from Rural Press National Agricultural News Bureau, Canberra.

#### **Drought aid: It's a major step forward, says NFF**

It's a strong \$714 million commitment.

The Prime Minister has tackled Australia's deepening drought crisis 'head on', the National Farmers' Federation (NFF) says.

"Many simply could not fathom that the drought management practices farmers put in place, even on the most state-of-the-art farms, are approaching breaking point," NFF president, David Crombie, said today.

"The NFF has been at great pains not to be alarmist in the face of the worst drought on record, stressing the resilience of Australia's technologically advanced and environmentally-sustainable farm sector.

"But the desperate situation confronting farm families is unprecedented.

"It has become more serious by the day, in the wake of failed winter rains.

"The measures the Prime Minister announced in his crisis response today sensibly target the protection of Australia's vital agricultural productive base, while supporting farm families.

"The Exceptional Circumstances (EC) drought 'safety net' – which basically puts food on the table and keeps the wolf from the door in paying the bills – has been made more flexible to better reflect the crisis and catch more families.

"And a Murray-Darling Basin specific response targets irrigators, who face zero water allocations over spring, to secure their productive base, which accounts for 40pc of Australia's food output.

"Support for small businesses in drought-affected areas is a holistic response.

"The knock-on effects of drought are severely stretching regional businesses, contractors, and entire communities... everyone suffers in this crisis, not only farmers. "This move protects businesses and services in regional areas.

"As we have already seen over the past year, drought can take an emotional, as well as financial toll, placing individuals, families and local communities under extraordinary stress.

"Helping people cope under such duress is essential and today's package commits more resources to help alleviate the pressures.

"A drought of this depth and length will certainly have longer-term structural implications for the farm sector. "Targeted measures for those farmers unable to continue in the sector, who wish to move on, will be provided with professional advice and decision-making support.

"Today's package represents an unprecedented response to an unprecedented crisis in Australia.

"It is appropriate because much is at stake.

"The drought has already slashed three-quarters of a percent off Australia's national economic growth.

"Our farming base supports 1.6 million Australian jobs – more than half in the cities, covering retail, wholesale, transport, processing, packaging and other sectors.

"It accounts for 20pc of our national exports (\$30 billion a year) and over half of the daily food needs of the Australian population."

SOURCE: NFF

### **Drought leads to big rise in 'roo road kill**

Kangaroos are being hit by cars in increasing numbers on Victorian roads as the drought draws them to roadside areas and urban sprawl encroaches on their territory.

RACV Insurance reported 2,636 claims from motorists hitting kangaroos in the year to July — an increase of 26pc on those of the previous 12 months.

Kangaroos are the animals most frequently reported in insurance claims, accounting for 71pc of the RACV's animal-related claims, followed by dogs (9pc) and wombats (5pc).

There are an average of seven claims a day from motorists hitting kangaroos.

Department of Sustainability and Environment wildlife damage control officer, Ian Temby, said kangaroo numbers were up, as they had continued breeding throughout the drought.

And many were being drawn to the sides of the state's roads in search of feed.

"What you often get after rain is, the road acts as a watershed, causing grass to germinate on the roadside when you may not have any anywhere else.

"We are also encroaching onto kangaroo habitat and kangaroos inevitably get stuck in paved street areas."

Mr Temby said.

It is believed the only way for motorists to avoid hitting kangaroos at night in wildlife areas, is to slow down.

"Kangaroos do not have much road sense.

"They are quite unpredictable and will hop along next to you and then suddenly jump in front of the car," he said.

RACV figures show most kangaroos are hit on Victoria's roads during autumn — mostly when they are on the move to and from grazing areas around dawn, from 5am to 7am, and near dusk, from 6pm to 7pm.

Animal-related collision claims accounted for 3pc of all RACV claims in Victoria in 2006 and 7pc of all highway claims. And it's not just roos getting run down on our roads. "There's a stretch of the Hume Highway near Euroa that is semi-paved in koala fur," Mr Temby said.

Wombats are a road hazard in eastern Victoria, particularly in Gippsland and Wilsons Promontory, and emus get hit in northwestern Victoria.

"There's also plenty of wildlife, such as echidnas and birds, that get hit without having any impact on cars and are never reported," Mr Temby said.

SOURCE: Rural Press national rural news, updated daily by *FarmOnline*.

### **Drought: NSW summit underway**

A drought crisis management committee similar to a war cabinet, is one of the suggestions at a drought summit now underway in Parkes, NSW.

The Federal Government is today expected to announce a suite of new assistance measures on the back of last week's \$430 million extension of exceptional circumstances assistance, and could include broadening the eligibility criteria for interest rate and income support and the off-farm income thresholds.

Local government representatives from across NSW, charity groups and farm leaders have crammed into the Parkes Cultural Centre to look at fresh ideas to address the spiralling debt crisis facing the State's farmers from successive crop and season failures.

NSW Farmers Association president, Jock Laurie, said the public has to stand up and declare whether they want an agricultural industry in Australia or not. He said there needs to be a commitment not just from governments, but from the wider community, to back farming into the future.

"The general community has got to get out and say we want agriculture," Mr Laurie said.

Parkes shire mayor, Robert Wilson, said a war cabinet is needed to manage what is well past a local drought and is now a national disaster. He said Australian farmers, struggling with drought, are battling monstrous subsidies which are paid to farmers in the US and Europe and which force fertiliser prices to unsustainable levels.

Chairman of the NSW Shires Association, Bruce Miller, said there is no more time for committees or talk fests.

"We need to act, and we need to act now," Cr Miller said.

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.



### **Drought: Parkes forum today**

Support for farmers entering and leaving the industry, exceptional circumstances funding, and the impact of drought on crop belts are just some of the issues to be addressed when the summit convenes in Parkes, NSW, today.

President of the Shires Association of NSW, Bruce Miller, who will chair the meeting, said this morning, "The threat to winter crops is another reminder that relevant stakeholders need to take responsibility for the crisis facing NSW communities and agree on, and implement, solutions.

"At the end of this summit, we want to have clear direction on how to relieve pressures on drought affected communities, both in the short term and long after the drought is over.

"It is clear that current levels of assistance are inadequate and many NSW families are facing financial, social and mental ruin."

The summit has been coordinated by the Shires Association of NSW with the NSW Farmers Association, and will be attended by government representatives, councils, affected businesses, farmers, industry and community groups.

John Cobb, Assistant Minister for the Environment and Water Resources will address the summit, as will Senator Kerry O'Brien, the Opposition Spokesperson on Primary Industries, Jock Laurie, President of the NSW Farmers Association, and Cr Genia McCaffery, the President of the Local Government Association of NSW.

SOURCE: *Parkes Champion Post*, a Rural Press publication.

### **Drought: We must use our prosperity to fight crisis, says Vaile**

Drought assistance is climbing towards \$3 billion but Australia must use its prosperity to fight the crisis until the rains return, Deputy Prime Minister, Mark Vaile, said today, as a Cabinet meeting gets underway in Sydney.

The government is expected to settle on further drought assistance at its meeting, ahead of a drought summit underway in the western NSW town of Parkes.

"We have just got to stand and fight this until the drought turns around," he told ABC radio.

"Some of the issues that we're going to address will make it easier to access the household support and interest rate subsidy but (will) have income and assets test on them," Mr Vaile said.

"The other aspect, particularly in the irrigation areas, is for the first-time irrigators who have access to high-security water, because of the devastatingly low flow rates in the Murray-Darling Basin, and who are facing zero allocations.

"They could completely lose their permanent plantings, the orchards and their vineyards.

"The other aspect to this is also that we continue to have dialogue with the major financial institutions so that they're compassionate in the way that they're dealing with this.

"The last thing we want is to see banks starting to toughen up on a lot of their criteria."

Mr Vaile said the Australian economy could not survive without agricultural production.

"There's about 130,000 farming units across Australia that contribute over \$100 billion into our GDP - up to about 18-20pc of our exports in a good year," he said.

"We cannot afford as a nation, to lose our agricultural industries."

SOURCE: AAP

### **Warmer December quarter likely in most areas**

The national outlook for temperatures averaged over the next three months, from October to December, shows a moderate to strong shift in the odds favouring higher than average maximum and minimum temperatures in most areas.

The Bureau of Meteorology says the pattern of seasonal temperature odds across Australia is a result of:

- Continuing higher than average temperatures over parts of the south tropical Pacific Ocean, and in parts of the tropical and sub-tropical Indian Ocean.
- A stronger signal is coming from the Indian Ocean.

Averaged over the December quarter, the chances are between 60-80pc for above-normal maximum temperatures over much of the country, with the exception of a band from northwest to central Australia (see map).

In parts of the southeast and far north, the chances exceed 80pc.

So for every 10 years, ocean patterns such as the current, are expected to be warmer than average over much of Australia, for about six to eight of the October to December periods, with about two to four of these periods being cooler.

SOURCE: Bureau of Meteorology.

### **Water conservation on Henty shopping list**

Anything to do with saving, catching or conserving water attracted interest at the 44th annual Henty Machinery Field Days, NSW, even if crowd numbers were down.

And there was a glimmer of hope on the buying front.

If interest shown in any of the exhibits didn't result in direct sales, exhibitors were pleased with firm leads.

Water tanks, pumps, troughs, and any strategies or products that eased the pain in a drought were well sought after.

Meanwhile, farmers showed they were technologically savvy and still had an eye for the latest machines and implements.

Harvey and Jenny Durston, Rhino Tanks and Liners, made the trip to Henty from Perth, WA.

Mr Durston reported steady interest throughout the field days and said the company secured countless leads.

Rhino Tanks had a tank that patrons could walk into as part of the display and inside was information about the various sizes available.

General interest in conserving water had been driven demand and this was combined with the various government rebates, he said.

AirWell pumps sales representative, Bob McCormack, Winchendonvale said there was excellent interest in pumps. "People knew what they wanted and there probably weren't so many who just came for a look," he said.

AirWell pumps featured a specialised air line which means that a pump can be used a long way from a power source. Mr McCormack says that, as the drought tightens, farmers have to move down the scale and search for water sources farther away from the traditional ones.

Dry times also mean there is no such thing as channel spill anymore - people who have relied on channels for water are now looking to other sources.

"Anything to do with water was popular enough but obviously it was tougher for the irrigation equipment suppliers," he said.

"There was good demand from the stock and domestic blokes."

SOURCE: Extract from Henty Field Days report in *The Land*, NSW, and September 27.

#### **Adelaide Advertiser**

#### **Fines cheaper than buying water**

Interstate farmers are stealing River Murray water and are happy to risk a fine because it is cheaper than legally buying the resource.

Authorities are powerless to know how much water is stolen from groundwater, tributaries and the river itself by desperate farmers.

Illegal bores, pumps, channels and embankments take water across the Murray-Darling basin, which covers four states. Tankers being used to suck water from the River Murray have also been reported. Both New South Wales and Victorian water authorities fine and prosecute farmers who take water illegally or beyond their allocation.

Victorian water company Goulburn-Murray Water fines farmers who overuse their allocation \$2000 per megalitre, compared to the average price of \$2300 a megalitre this month to buy one megalitre of water.

Last month, one NSW farmer was fined \$800 and \$1000 in legal fees by a court for an unlicensed bore.

Victorian courts have also fined farmers between \$500 and \$850 for water theft.

Adelaide University earth and environmental sciences Associate Professor Keith Walker expected more farmers would try theiving.

"People do weigh up the pros and cons of being caught and paying the fine," he said.

"It is one of the big problems with managing water ineffectively. You don't know where the water goes."

Wentworth Group scientist Professor Peter Cullen said water was held in the upper reaches to ensure a supply, but that increased the chances of theft downstream.

"I have no doubt water theft is escalating in the current shortages . . ." he said.

"It is hard to get hard data on it and no one's putting their hand up to confess." Last financial year, the NSW Water and Energy Department received 68 allegations of water theft from the Murray and Murrumbidgee river areas.

It found 44 warranted further investigation and most are now before court.

Goulburn Murray Water investigated 87 incidents, last year, of which 26 were successfully prosecuted and 56 are pending.

A spokeswoman for SA Water Security Minister Karlene Maywald said the Government was concerned about any illegal taking of water from the Murray.

#### **Farmers get \$150,000 to leave land**

Farmers will be paid \$150,000 to leave unviable farms in a \$714 million Federal Government drought package.

The assistance follows last week's \$430 million extension to the Exceptional Circumstances declaration and takes Commonwealth spending on drought relief to \$3.5 billion since 2001.

The Lower South-East and Central and Eastern Mount Lofty Ranges will be two extra areas to qualify immediately for EC funding.

Prime Minister John Howard yesterday announced interim assistance also would be available for remaining agricultural land in SA not EC-declared.

More generous income assistance for non-farm businesses also is featured.

Included in the package is:

DOUBLING of the off-farm income exemption from \$10,000 to \$20,000 at a cost of \$33 million.

AN effective doubling of the off-farm assets limit for access to the Exceptional Circumstances Interest Rate Subsidy to \$750,000, costing \$143 million.

GRANTS of \$20,000 for Murray Darling Basin irrigators to implement water strategies, at a cost of \$66 million

EXIT grants up to \$150,000 for farmers leaving the land and a rise in assets limits to \$350,000, at a cost of \$150,000.

#### **Vics 'gamble our future'**

Victoria has been accused of gambling with the future of the River Murray as Premier Mike Rann calls for extra water to be released down the river for the people of South Australia.

Mr Rann last week met Victorian Premier John Brumby, who has refused a federal request to release extra water reserves to help out SA's drinkable water supplies.

The SA Premier revealed yesterday the meeting had been "frank and polite". He now has written to Mr Brumby, saying he is "extremely disappointed" at the Victorian refusal. Mr Brumby last week said the federal plan was completely unacceptable and scandalous and Victorian irrigators should not have to give away their water.

His actions were condemned by Prime Minister John Howard and federal Environment Minister Malcolm Turnbull.

The request for more water originally was made in the Murray-Darling Basin Dry Inflow Contingency Report.

Mr Rann said Victoria's position "makes absolutely no sense".

"They are gambling with the future," he said. "They are basically tossing the coin and taking a fingers-crossed approach to the River Murray.

"We are talking about water needed in reserve for critical human needs and we are simply asking Victoria to work with us."

Mr Rann said SA, Queensland and NSW had signed up with the Commonwealth's plan to take control of the river but Victoria had been "intransigent" in staying out of the new arrangement.

"You can't gamble on there not being a drought next year," he said. "You have to plan for the worst."

Asked what action he would take if Mr Brumby did not agree to the proposal, Mr Rann said he would continue to try to negotiate. In his letter to Mr Brumby, the Premier said that without the co-operation and goodwill of Victoria and, in the event of the drought continuing, the potential clearly existed for a serious reduction in the quality and quantity of River Murray water available to SA for human consumption. He said he was heartened by a concession Mr Brumby made in a letter to Mr Howard saying he was willing to consider the establishment of a water reserve in 2008-09.

### **Pipeline straight to the Premier**

Liberal backbencher Liz Penfold brandished a water pipe in front of Premier Mike Rann in yesterday's Question Time in Parliament.

She was questioning Mr Rann about blocked water pipes in Ceduna which regularly needed to be replaced, costing thousands of dollars. Water Security Minister Karlene Maywald responded to the question but Ms Penfold then waved the pipe at Mr Rann before dropping it on his desk.

Ms Penfold later said she was telling Mr Rann she had been trying to get something done about the issue for years. She has criticised the Government for failing to allow regional communities to develop private desalination plants which would produce clean water and prevent sediment blocking pipes.

Ms Maywald said she was aware of issues surrounding water pipe blockages in Ceduna and surrounding areas. "I will be seeking advice from SA Water on what it is doing and I will bring back to the house and to the member a detailed explanation as to the actions that SA Water is undertaking as a consequence of those issues regarding the blocking of pipes," she said.

### **Action time on climate**

United Nations Secretary-General Ban Ki-moon says the "time for doubt has passed" on global warming and there is now a "clear call from the world's leaders for a breakthrough on climate change".

27<sup>th</sup>

### **FarmOnLine**

#### **New data suggest rethink on El Nino needed**

One of the world's largest and most important wind systems has weakened to a 30-year low, in what scientists suspect may be another symptom of climate change.

The Walker circulation is a loop of winds over the Pacific Ocean that influences much of the region's climate.

Changes in the system can increase the risk of drought and flood in many countries, including Australia.

Weakening is associated with the drought-inducing El Nino.

Strengthening produces a La Nina event that is linked to wetter-than-usual conditions.

Melbourne scientists analysing the latest climate data have found the Southern Oscillation Index (SOI), which tracks the strength of the Walker circulation, had dropped to a record low between 1977 and 2006.

Over the same period:

- Trade winds weakened to their lowest on record.
- Tropical ocean surface temperatures and air pressure over northern Australia reached their highest.

These changes coincided with an "unprecedented El Nino dominance".

But Bureau of Meteorology researcher Scott Power thinks the weakening in the wind system may not be simply a result of this natural variability.

Instead, Dr Power said it could be due in part to climate change.

If this is the case, a weakened system may become a semi-permanent feature.

"It could be here for decades," he said.

Fellow researcher Dr Ian Smith of the CSIRO said climate observations need to take account of these long-term shifts.

This might include reviewing the definition of El Nino and La Nina events.

SOURCE: *The Age*

### **\$150,000 exit grants provide dignity in distress**

Prime Minister, John Howard, says he does not expect a rush of farmers accessing the \$150,000 grants to leave their farms and exit agriculture.

Mr Howard said farmers "love the land" and he hopes most will be able to continue to stay.

The government has offered an exit grant of up to \$150,000 for farmers who have decided to leave the land, and an increase to \$350,000 of the assets limit to access this grant.

Advice from the Federal Department of Agriculture on some of the details of the grant states the assets limit of \$350,000 assesses the net value of a farmer's assets.

For example, if a farmer's property is valued at \$1 million, but debts total \$800,000 and they have no other off-farm assets, then they would be eligible for the \$150,000 grant because their assets are valued at \$200,000.

Personal assets, like clothing and household effects are not valued in the asset limit, so farmers can leave their farms with clothing and items like fridges and washing machines.

The grant is not intended as a pay-out to farmers to aid farm succession, but the department stresses each case should be looked at individually.

Farmers who take up the grant will also have access to an additional \$10,000 to help with relocation costs and \$10,000 for retraining for a new job.

- More details call the drought hotline 13 23 16.

SOURCE: Breaking national news from Rural Press weekly agricultural papers, updated daily on *FarmOnline*.

### **Old Govt delays Condamine water tender**

The Queensland Government has temporarily put the tender for a water allocation on hold for the Condamine River in southern Queensland, amid controversy surrounding the proposed sale.

Last week, the Qld Department of Natural Resources and Water (NRW) posted letters to irrigators on the Condamine River, calling for interest in 163 megalitres of medium priority allocation.

Originally allocated to beleaguered piggery company, Danpork, the water licence was intended for a proposed 10,000 sow piggery in the Warwick Shire.

But the piggery was never built, and the water was forfeited to the State Government due to financial difficulties with the company.

Thus the water is back in government hands, currently unallocated, awaiting sale, with a worth of around \$300,000.

However, late on Tuesday afternoon, at the same time as the news came close to public release in the media, Queensland Natural Resources and Water Minister, Craig Wallace, opted to put the tender on hold, pending the release of the CSIRO report into the Condamine Balonne.

The temporary standstill will undoubtedly be welcome news for many irrigators, who have been bemused by the thought of the sale and have looked upon a dry and sandy riverbed for years.

The Yarralong Weir has been one of the most popular camping, fishing, and watersports spots on the upper stretches of the Condamine River.

But with the river droughted, only a small pool remains.

This situation has contributed to the concerns over the Queensland Government's calls for tenders to sell 163ML of the Condamine water.

SOURCE: Extract from full story in *Queensland Country Life*, September 27.

### **Murray River dairying left high and dry**

Faced with another year of low water allocations and high grain prices, many Murray River dairy farmers are considering reducing stock or selling up.

Elders dairy sales specialist, Rob French, says more herd dispersals are being scheduled every month.

He said, "I have been a farmer for many years and I haven't seen anything like this in my lifetime.

"This is critical across the whole country.

"The costs of reducing outweighs milk money.

"Farmers have had some good price rises for their products lately but the ongoing costs of producing again are eroding profits.

"Young and old look to sell up because they don't want to go back to the bank for more money."

Mr French said export orders – to places including Saudi Arabia, Mexico, Jordan, and China – had more than doubled in the past 12 months.

"The prices remain steady.

"However, with so many farmers offloading their surplus and reducing numbers, oversupply of the market could change that."

South Australian Dairy farmers Association chief executive officer, Ken Lyons, said the decline had become a sign of the times, as the number of farms decreased each year in all industries.

"There used to be 50 dairy processors in SA, and now there is only a handful," he said.

Similar to the wheat industry, Mr Lyons said, "When families exit, neighbouring properties generally takeover and the farms keep getting bigger and bigger."



Lower Murray Irrigators Group chairman, Richard Reedy, says, "People will continue to live on in the river region but there will be an enormous number of dairies that will close down."

Ten years ago, there were 124 dairy farms situated along the river - now, there are about 41.

"In the next six months, a third of those will look to leave the industry," Mr Reedy said.

"The only light at the end of the tunnel is that farmers can lease their water allocations, which will cover some for the next 12 months."

Mr Reedy said dairy farmers needed urgent income support from the government, as many would still be servicing debt incurred.

But Jervois, SA, dairy farmer Mark Schubert believes the Federal Government should be looking to take complete control of the River Murray.

"The state governments all have vested interests," he said.

"Everyone should have rainwater tanks and not over-utilise the Murray so much.

"We also need to stop giving overseas aid and start helping Australian farmers more."

Mr Schubert believes the dairy industry will move to the more reliable rainfall areas.

"The dairy industry has (virtually) left the Adelaide Hills - it used to be considered reliable country," he said.

"The river was always guaranteed but this is the first time it hasn't been.

"The South-East of SA, Tasmania and Victoria's western districts will probably become the predominant areas."

SOURCE: Stock Journal, SA

## **The Australian**

### **Keelty warning on global warming**

Climate change, not terrorism, will be the main security issue of the century, with potential to cause death and destruction on an unprecedented scale, Australia's top policeman believes.

In a surprise foray into the politics of global warming, Australian Federal Police commissioner Mick Keelty described how climate refugees "in their millions" could create a national security emergency for Australia.

His provocative comments, made in a speech in Adelaide last night, are likely to be diplomatically sensitive after he described a scenario in which China was unable to feed its vast population.

Law enforcement agencies would struggle to cope with global warming's "potential to wreak havoc, cause more deaths and pose national security issues like we've never seen before", Mr Keelty said. "It is anticipated the world will experience severe extremes in weather patterns, from rising global temperatures to rising sea levels," he warned.

"We could see a catastrophic decline in the availability of fresh water. Crops could fail, disease could be rampant and flooding might be so frequent that people, en masse, would be on the move.

"Even if only some and not all of this occurs, climate change is going to be the security issue of the 21st century."

Mr Keelty said the implications for China were especially alarming. By 2040, with global temperatures surging towards a predicted 3C rise, and sea levels up 50cm, the land available in China to grow grain and rice could be reduced by 30 per cent.

"The mass displacement of people, particularly in the Asia-Pacific region, could create a great deal of social uncertainty and unrest in the region.

"In their millions, people will look for new land and they'll cross borders to do it."

While the security implications should not be underestimated, Mr Keelty said the science on global warming's effects was not settled.

John Howard's office refused to enter the debate last night.

A spokesman for Peter Garrett, the Opposition's climate change spokesman, said he wanted to read the text of Mr Keelty's speech before responding.

Delivering the inaugural Ray Whitrod address, posthumously honouring the former Queensland police commissioner who resigned in 1976 in protest at corruption in the state force, Mr Keelty said police would need to be involved in regulating moves to cut greenhouse emissions through carbon trading.

He equated the potential for corruption in carbon trading to the billion-dollar Barings Bank fraud, which brought down Britain's oldest merchant bank 12 years ago.

### **Doubts on irrigation licence caps**

The states are free to continue over-allocating water licences, despite the commonwealth takeover of the Murray-Darling Basin.

Water experts yesterday questioned whether caps on water use in the basin under new federal legislation could be enforced.

The doubts were raised as Queensland Premier Anna Bligh submitted to pressure from John Howard and deferred indefinitely a controversial proposal to sell eight billion litres of water a year from the Warrego River, a Murray-Darling tributary.

"In all the circumstances, it is not possible for the auction to go ahead," Ms Bligh said.

"I understand that the irrigators will be disappointed.

"I hope they understand that the state cannot proceed in the face of a request from the Prime Minister."

However, Howard government sources said that because Victoria failed to sign up to commonwealth control of the basin, federal legislation facilitating the Murray-Darling Basin takeover had omitted powers to issue or revoke water allocations. Under the takeover plan, Canberra is spending \$6 billion buying back water licences that have been over-allocated by the states.

Water expert Peter Cullen said that as there was no central authority over allocations, it was not clear how Canberra could enforce caps on water use under the takeover legislation.

"It's a pretty crazy situation when you have over-allocated licences being bought by the commonwealth, but the states can just allocate more, so it has to buy them also," Professor Cullen said.

Federal Water Resources Minister Malcolm Turnbull said Mr Howard had conceded in a letter to Ms Bligh that Queensland still had the constitutional power to sell the Warrego allocations.

"The question for the state Government is whether it is prudent conduct to do so," Mr Turnbull told The Australian. "This buck stops with the Queensland Premier."

The Queensland plan was opposed by NSW farmers downstream of the Warrego, including former Test cricketer Glenn McGrath, who feared it would reduce flows to their properties.

Environmentalists and the NSW Government have also opposed the sale of the Warrego allocations.

In March, Mr Howard approved the auctions in a letter to Ms Bligh's predecessor, Peter Beattie, saying they were consistent with the Warrego's water-sharing plan.

However, he justified his change of heart on the basis of a CSIRO report that raised concerns about the impact of climate change on flows in the river.

Mr Howard had been joined by the federal Opposition earlier yesterday in urging Ms Bligh to cancel the auctions.

Opposition water spokesman Anthony Albanese said it was essential to address the over-allocation of licences in the Murray-Darling Basin.

He also said Mr Howard should not have approved the sales in March.

### **Draining \$15bn, and rising**

The rural water crisis is set to drain more than \$15 billion from the national purse - and the costs will continue even after the drought breaks.

Yesterday's massive \$714 million funding for drought-stricken farmers pushes the amount of federal money committed to drought relief to \$3.5 billion since 2001 - one-third of which has been announced in the past eight days as the Howard Government prepares for the election.

John Howard has been drawing down on the budget surplus for thirsty rural areas for years, although the scale of his pledges has grown exponentially this year.

The Prime Minister's biggest single promise was made in January, when he set aside \$10 billion for a national water plan targeting the Murray-Darling Basin.

The budget four months later added another \$2 billion to the kitty, with a five-year extension of the National Heritage Trust. The trust is a long-running program that lists salinity and water quality projects as one of its priorities. That amount was on top of a \$2 billion allocation over six years for the water fund, which started in 2004-05 and spends much of its money in rural areas.

The increase in public spending on rural water infrastructure comes as earnings from agriculture, the nation's biggest water user, remain under pressure.

The Australian Bureau of Agricultural and Resource Economics forecast last week that the drought would cut the national winter crop by one-third.

The sector's contribution to the nation's otherwise healthy economy is in decline, with agriculture's gross domestic product falling by 19.2 per cent in 2006-07 at a time when the non-farm sector expanded by 3.9 per cent.

The Government's decision to double the size of the exit grants available to those selling their farms reflects not just the impact of the drought but also an acceleration in the long-term trend of falling farmer numbers.

"It's very hard to have a drought of this nature, this depth and this extent without there being a structural impact on the industry," National Farmers Federation chief executive Ben Fargher said of the grant announcement yesterday.

### **PM denies fuelling farmland exodus**

John Howard does not think there will be an exodus of farmers from the land but it good to give them the option.

Thousands of farmers and graziers will be paid up to \$170,000 to leave the land with dignity in a pre-election boost from the Coalition. Mr Howard said it was important to allow farmers to leave with dignity if they chose too.

"Now there'll be some people who will take that up but the great majority of farmers, typical of their type will stay and fight and work and hope for the end of the drought and hope to keep going with their farming because that is what they love and that is what their families love," he said today.

"We've always had exit payments, what we've done is to double them and that is a recognition that maybe they weren't sufficient to enable people who were thinking of leaving the land to make the decision and to enable them to do so with a greater level of dignity and self respect.

"I think that is important so I wouldn't class it as a radical change in policy, I would class it as a greater recognition of the need to have more effective exit payments.

We've always had them but we've decided to improve them, to double them, and that means more people should by rights take them up and if they do they'll be able to leave their properties with a great deal more dignity."

The Prime Minister conceded yesterday the generous package recognised the reality that some farmers would be forced to leave the land.

Farmers will now be eligible for exit payments of up to \$150,000, grants of \$10,000 for retraining and a further \$10,000 to cover the costs of moving.

As in previous programs, including Farm Help, the payments will be quarantined from bankruptcy claims. Government officials confirmed this would ensure farmers could keep the drought assistance cash if they went broke and not be forced to give the money to creditors.

"These people are in a desperate situation and they're the heart and soul of our rural communities and we've got to help them," Mr Howard said.

"It is a big amount of money but every dollar of it is deserved by our farmers. As a nation, we can afford it."

As Labor offered bipartisan support for the relief package yesterday, Mr Howard hammered the election theme that the Government could not have afforded such a generous package without the benefit of its strong economic management of the past 11 years.

Despite holding a record amount of cash in the tax-favourable accounts the Howard Government introduced to help them ride out tough times, farmers will also be able to earn more off-farm income under the new arrangements.

The average farm management deposit was \$68,600 in the June quarter, an increase of \$2600, or 4 per cent, on the previous record set a year earlier.

Water expert Peter Cullen, a member of the Wentworth Group of Concerned Scientists, welcomed the decision to stop "drip-feeding" farmers on unviable land with welfare payments.

"This is a mechanism for helping people to exit the land, rather than drip-feeding them to stay there," he told The Australian.

"I don't want to name the areas. I think the market will sort them out. There are some areas that seem almost permanently in drought. We should accept that. This is a new strategy to allow people who want to exit to do so with some dignity.

"It's all a question of whether it's a drought that's going to end or it's climate change."

The exit grants program will not be capped but the Government has budgeted \$150 million to help thousands of farmers leave the land.

The asset test to secure the payments will be increased to \$350,000 after families have sold the family farm, allowing farmers to walk off the land with up to \$500,000 if they secure the full grant.

Deputy Prime Minister Mark Vaile stressed no families would be forced by the Government to leave their farms.

"Can I make the point the Government is not going to intervene and say it's time you left your property," Mr Vaile told Sky News.

"That's a decision individual families need to make themselves. We're just going to provide a mechanism ... to do it with dignity."

Mr Vaile angrily denied the boost to farm relief was driven to maximise support for the Howard Government in the lead-up to the election.

He also rejected suggestions the drought was necessarily caused by climate change.

"It's cyclical. We've had severe droughts like this in the past," he said.

Under the new assistance package, irrigators in the drought-stricken Murray-Darling Basin will be awarded grants of up to \$20,000 each to implement water-management strategies as they battle massively reduced water allocations.

The amount of income allowed to be earned off-farm without losing the dole will be doubled from \$10,000 to \$20,000 and the assets limit for interest rates subsidies would be increased from \$473,000 to \$750,000.

The eligibility of struggling small businesses for assistance will also be extended, to include all towns with populations of up to 10,000 that have a significant reliance on farmers for income.

National Farmers Federation chief executive Ben Fargher said the exit payments were prudent, but did not undermine the vital role of Australian farming.

"We don't see a vacant landscape as the answer," he said.

"We want to make it clear that Australian farmers have not been sitting on our hands waiting for this drought event to come, we have done a lot to better manage climate risk through irrigation systems, new cropping system. We are big contributor to the economic welfare of this nation."

However, the West Australian Farmers Federation grains section president Derek Clauson said the aid would not help those farmers outside the exceptional circumstances declared zone.

### **Dams, recycled water for far north**

THE construction of two major dams and the introduction of recycled drinking water are being considered for far north Queensland as the region struggles to cope with a projected doubling of its population over the next 40 years.

The state Government yesterday released the Far North Queensland Draft Regional Water Supply Strategy, conceding that despite it being one of the wettest areas of Australia, its existing infrastructure would be unable to cope with increases not just in permanent residents but also in tourists.

The report floats the idea that sewerage water recycled for human consumption may have to be introduced to supplement supplies for some towns on the Atherton tablelands behind Cairns.

The Government estimates the Cairns region population, which includes the Douglas Shire and the Atherton Tablelands, will nudge 300,000 by 2050, more than double the existing population of 140,000.

The area is expected to be the second-fastest growing region of Queensland after the southeast corner. This year, the state's population grew by 92,000 people, the highest rate of all Australian states.

The Government is conducting feasibility studies on a 360,000 megalitre dam at Nullinga on the Walsh River and a dam in the Upper Herbert region, as well as the introduction of recycled water for industrial use and on parks and gardens in Cairns.

Anna Bligh, on her first visit to the region as Premier, yesterday said the future growth and prosperity of far north Queensland would depend on it having a secure water supply.

"At our current rates of growth, there will be water shortages in the area in 50 years if we don't plan new infrastructure," she said.

Despite the area receiving 27per cent of Australia's mean annual water runoff, residents will also be encouraged to install water-efficient appliances and water tanks.

The report also states that agriculture in the area will continue to develop, with the sugar, beef and banana industries leading the expansion.

Ms Bligh said the new dams would be unlikely to require compulsory acquisition of privately owned land.

Recycled drinking water is likely to be a contentious issue in the region, having already divided the southeast city of Toowoomba when a plant was announced last year.

### **Farmers' reserves about tax, not rain**

Farmers are holding a record amount of cash in the tax-favoured accounts the Howard Government introduced to help them ride out the drought.

The average farm management deposit was \$68,600 in the June quarter, an increase of \$2600, or 4per cent, on the previous record set a year earlier.

The scheme continues to defy the expectation originally set for it by the Government: that farmers would use it to put money away in good years to draw on in the bad.

Earlier this year, the Government's rural economic adviser, ABARE, said there were "early signs" that drought-stricken farmers were dipping into the accounts "to meet their short-term funding needs", with \$500million withdrawn in the September quarter last year.

But the latest official statistics, released last week, confirmed a \$450 million rebound in deposits in the June quarter, which largely cancelled the earlier withdrawal.

This fits with the patterns of previous financial years, when cash flowing into and out of the accounts appeared to be driven by tax considerations rather than rainfall.

The total amount held at the end of June was \$2.78 billion, the second-highest after last year's record of \$2.8 billion.

But the average balance still increased from \$66,000 to \$68,600 because the number of accounts fell by 1791 to 40,574.

The average account balance has increased every year since the inception of the scheme in 1999.

When the drought hit in 2002, the average balance was \$47,800. A total of \$2.1 billion was saved, spread over 43,400 accounts.

Five years later, the average balance has increased by almost \$20,000 and there is an extra \$680 million in total set aside. However, the total number of accounts is down by almost 3000, suggesting that some farmers have either left the land, or have run down their savings to zero.

John Howard had described the scheme as a safety net, allowing "farmers to put away money with a tax advantage in a good year so they can take it out in a bad year".

But a carefully worded government review into the scheme late last year explained that tax was driving farm deposit behaviour.

Under the scheme, farmers can defer paying tax on the income set aside in the account until they draw on it.

Last year's departmental review was not asked to "examine the policy appropriateness of the FMDs as a policy instrument". This seemed to prompt some seemingly contradictory passages in the November report.

"There is evidence some deposits and withdrawals may reflect the industry and regional incidence of drought severity throughout Australia," the executive summary said.

But two pages later the report conceded that "FMD holdings have continued to rise, with deposits broadly matching withdrawals" since the drought began in 2002-03.

The report said it was not possible to assess how the deposits had been used through the drought until after the drought had ended.

"Further analysis of the scheme's operation should be undertaken after climactic conditions improve," it said. The report concluded that the scheme should be "retained with its primary objective as a tax-linked, financial risk management tool for primary producers".



### **Activists get up PM's nose on climate 'spin'**

Any hope of a break from politics while watching Saturday's AFL grand final on the telly has been dashed by online activist group GetUp.

GetUp has recorded a spoof of the Government's new climate change advertisement to be broadcast nationally to millions of viewers.

The Climate Clever commercial has been broadcast for the past 10 days, but GetUp's version parodies the campaign as an overt attempt to trap green votes for the Coalition.

"I don't know much about implementing effective climate change policy, but creating an ad campaign to make the Government look greener? I can do that," an actor playing an advertising executive says in the spoof.

A voiceover in Climate Clever-er then says the Government's only achievement is the renaming of coal as "clean coal" and that the Government plans to change nuclear to "nice and happy nuclear".

GetUp executive director Brett Solomon said the government advertising campaign was selling the Australian people a myth - that John Howard's Government was serious about tackling climate change.

"And the worst thing is, as taxpayers we're all paying for the privilege," Mr Solomon said.

"We have made this ad to debunk this exercise in greenwashing, and show this advertising campaign for what it is - pure spin designed to convince voters of John Howard's specious climate change credentials as we head towards the election.

"This Government has spent more on its own advertising than any other in Australian history, and this blatantly political example is a public relations exercise, not a serious attempt to achieve the greenhouse emissions reductions that are necessary to avoid dangerous climate change.

"Thousands of Australians are banding together and chipping in to turn this dangerous spin on its head - a true democratic antidote to the powerful PR machine that has dipped into their pockets to the tune of \$2 billion over the last 11 years."

### **Extreme fire risk days 'may treble'**

Southeastern Australia should prepare for longer and more devastating bushfire seasons with new research predicting the number of "extreme" fire danger days could treble within decades.

And weather conditions may become so horrific that two new fire danger categories would need to be introduced - "very extreme" and "catastrophic".

The study, commissioned by the Climate Institute of Australia, calculated the future fire danger in 26 locations in the country's southeast, using Bureau of Meteorology data and projections from the Intergovernmental Panel on Climate Change.

The report, released yesterday, paints a frightening outlook for residents of fire-prone areas.

In a worst-case scenario, taking into account a global warming temperature increase of 2.9C by 2050, the report forecast "catastrophic" fire danger days in 22 out of the 26 sites.

Only 12 of these sites have experienced conditions of this magnitude since 1973.

Researcher Chris Lucas compared the catastrophic category to the conditions encountered during the 2003 Canberra bushfires, in which four people died and hundreds of homes were destroyed.

He said bushfire seasons in recent years had exceeded predictions for 2050 with extreme fires such as those in Victoria in 2002-03 and 2006-7 possibly providing an indication for the future.

"Over the last five or six years, we've been seeing this increase in fire danger, and seasons like last year's are going to keep occurring," Dr Lucas said.

By 2050, on the worst-case model, the average annual number of extreme fire weather days in the NSW central western city of Dubbo would increase by 303per cent to 6.7.

Other locations would experience much higher danger, including Woomera in the South Australia desert (34.7), the central Queensland centre of Charleville (20.9) and Mildura on the Murray River (15.9). In the metropolitan areas, the danger was less with Melbourne (5.8), Adelaide (3.8) and Sydney (3.5). Hobart and Brisbane had an average of less than one day per annum.

Dr Lucas said that could mean prolonged fire danger periods of up to seven months. "South Australia had its earliest total ban ever this year, before the start of Spring," he said. "We've been seeing earlier starts to the fire season, as early as October in some areas, but this could extend at the other end into April."

Tasmania was the only state to defy the trend. "That's because the increase in rainfall offsets the bushfire threat in that state," Dr Lucas said.

He said he expected major bushfires to hit South Australia this season, especially on the west coast and the Eyre Peninsula.

Southeast Queensland, northern NSW and western Victoria were also nominated as potential hot spots.

### **Exits will alter rural landscape**

Substantial and costly challenges will need to be faced as the landscape of rural Australia is altered by the departure of hundreds of farmers and graziers. New threats from fire and plant and animal pests are among problems that are set to expand as more farmland is vacated and properties are amalgamated in the wake of the drought.

In Queensland, farmers' group AgForce estimated that as many as 1200 of its 8000 members would be interested in taking up the federal Government's offer of up to \$170,000 to quit farming.

"Between 10 and 15 per cent of our people are in real trouble and they will be thinking seriously about this," AgForce president Peter Kenny said.

An "absolute disaster" was looming in the inland as farmers quit their properties, he said.

"The land is not being managed properly now because governments have failed to put in the resources.

"These management problems could become so much worse.

"Things like the control of feral pests could get seriously out of whack and we need to be having a good think about how we are going to deal with it."

Queensland Herbarium acting director Bruce Wilson said invasive weeds such as prickly acacia, mesquite and gamba grass could spread rapidly because fewer farmers would be controlling them. Numbers of feral animal pests such as dogs, foxes and cats would increase for the same reason. And bigger wild fires were likely as the number of landholdings diminished, Mr Wilson said. "We do need to think about what the implications of these changes will be.

"There are going to be fewer people managing larger areas less intensively."

Andrew Ash, who manages the CSIRO's rangelands research program, said declining numbers of farmers would have far-reaching implications for the rangelands that accounted for 75 per cent of the landmass.

He said governments needed to think seriously about how land vacated by farmers would be used - for instance, whether it should be added to the national park estate.

"There is not much point converting it to national park if you don't have adequately resourced management plans in place," Dr Ash said.

The federal Government budgeted \$150 million to help 1000 farmers leave their properties under the drought-relief package unveiled on Tuesday and indicated more funds could be made available for exit grants.

### **Climate shift, not change**

The Murray Basin is experiencing a climate shift, but not a climate change, according to our leading irrigation expert. Shahbaz Khan, professor of hydrology at Charles Sturt University, said it was a crucial distinction and that the current drought sequence was very similar to the Federation drought of 1895-1902.

"It is not a climate change, it is a climate shift - that is completely different," he said.

"Australia is not a country of climate change, it is a country of climate shifts. My feeling is we are into a major shift here." The difference was that a shift was part of a historical weather cycle.

Professor Khan, also a key irrigation researcher at the CSIRO, said a significant difference between the Federation drought and this one was the greatly increased use of irrigation.

"We were not using as much water then so the impact now is much bigger," he said.

"Most engineering designs of irrigation schemes, dams, canals, they are based on averages. Averages don't work any more."

The long-term average inflow into the Murray is 11,100 gegalitres (11,100 billion litres). Twice during the 1950s, annual inflows more than 30,000GL were recorded, while three years in the 1970s had inflows greater than 25,000GL.

The average over the past six years ending in June was 4200GL. About 4000GL has been allocated to towns and irrigation.

Last year, the inflow was just 1211GL, and irrigators and towns survived on stored water. Inflow for the first six months of this year has been the lowest on record.

Because the water storages have been drawn down, all the towns along the Murray, except for Adelaide, are on level four water restrictions and irrigation has been severely cut back.

### **AdelaideNow.com.au**

#### **Barmera set to die**

The State Government stoppage of River Murray water flow into Lake Bonney on Tuesday is the "death knell" for Barmera, townspeople say. Save Lake Bonney Group organiser Mark Beech, who runs Barmera Backpackers, said business people in the town were considering a class action against the Government for economic loss.

He said Lake Bonney would be "dead" if the fresh water supply was cut off for several months. Earthmoving equipment moved in on Tuesday, making a 20m "temporary" earth barrier across Chambers Creek near Nappers Bridge, about 5km from the town centre. The Government has cut off River Murray water at 27 sites. State Water Security Minister Kaylene Maywald said discontinuing River Murray water from wetlands and lagoons was an emergency response to the drought. Closures at three nearby lagoons have also been approved - as announced by the Minister in April.

However, Mr Beech said people were leaving the district to find work in the mining industry because of the effects of the drought. If the lake stagnates or salinity increases because of the lack of fresh water, the district will be economically devastated, he said. "There are good professional people, I'm talking about health and teaching professionals, who have made plans to leave the town," he said. "But they can't leave because they can't sell their houses and that's pre-closure." Barmera Newsagent Robyn O'Dea said the Riverland was hurting already with retail turnover down about 10 per cent from last year.

"It (economic loss) is not just horticultural and recreational, we've also felt it in local businesses and real estate," she said.

"It's a double whammy."

### **Drought shock: Food bills set to soar**

Drought pain is coming to dinner tables nationwide as rising farm costs bite deeply into family budgets.

The price of bread, milk, eggs and meat is set to rocket on the back of high grain costs.

Winter crop forecasts have been slashed by 30 per cent, and there are signs desperately needed spring rains could fail.

And former deputy prime minister John Anderson yesterday raised the spectre of a possible global "food shock".

"We talk about oil shocks. We have gone on assuming that the supermarket shelves will always be loaded," Mr Anderson said.

Retailers said bread would jump by up to 30c a loaf and milk could rise by 20c a litre. Eggs are almost certain to rise by at least 50c a dozen, while the price of bacon and other pork products could climb by up to \$2 a kilogram.

The price of feed grain increased from a three-month average of \$290 per tonne to a peak of \$490 per tonne on Monday.

A report for the Australian Egg Corporation predicted it would stay above \$350 for some time.

"These prices don't seem to be abating," AEC managing director James Kellaway said.

"All the feedback from my members is such that they can't afford to not increase their prices."

Bakers Delight, which has more than 600 stores nationally, said it was anticipating a 30 per cent jump in the price of flour by January, after a 30 per cent jump this year.

"That means an increase of around 20c to 30c a loaf," chief financial officer Richard Taylor said.

"It's an absolute concern, but you can't do anything about it."

Goodman Fielder, which owns brands including Country Life and Helga's, said its prices would rise.

"Wheat prices are at record highs," spokesman Ian Greenshields said.

"You try and absorb as much of the costs as you can, but part of this has to be passed on."

Dairy giant National Foods said the drought was having a double impact on milk prices.

Spokesman Rupert Hugh-Jones said pasture levels were down, which lowered production. And the skim milk, butter fat and cheese markets were also attractive to dairy farmers, which reduced local volumes of milk.

"Our wholesale price of milk might rise by up to 20 per cent over the next six months," he said.

Australia Pork Limited CEO Andrew Spencer said the industry was facing its worst trading conditions in living memory, and prices would rise.

"It could be a couple of bucks a kilo across the board but it is very hard to judge because of the impact of supply and demand over time," he said.

Eating out is also set to become more expensive.

Restaurant and Catering Australia said higher produce prices would be passed on to customers.

Mr Anderson, a former federal leader of the Nationals, yesterday warned of possible global food and grain shortages.

"This comes at a time of unprecedented concerns globally of very low grain stocks," he said.

"It is not beyond the realms of possibility that we will see a food shock in the next few years."

Thousands of farming families are weighing up whether to stay on the land or take \$150,000 exit grants now offered by the Federal Government.

Prime Minister John Howard denied he was paying farmers to walk away. "We're helping people who've reached a rational decision, because of the desperate difficulties of farming their particular properties, to try something else in their career."

### **NEWS.com.au**

#### **Climate change spoof ad to air in AFL decider**

Donors have contributed \$100,000 in 24 hours towards broadcasting a spoof commercial during the AFL grand final, a political lobby group has said.

Independent group GetUp's commercial parodies the Federal Government's climate change advertising campaign to criticise its policy.

GetUp sought donations yesterday from supporters to pay for a spot during Saturday's broadcast, which has an expected audience of about three million people.

More than 2000 people donated online at an average of \$50 each, the organisation said.

"If the Government was in any doubt as to whether the Australian people were buying their spin on climate change, this jaw dropping response should blow that assumption out of the water," executive director Brett Solomon said.

"Thousands of Australians are banding together and chipping in to turn this dangerous spin on its head."

The GetUp commercial mimics the government's Climate Clever campaign and paints it as a cynical attempt to polish the Coalition's green credentials using taxpayers' money.

#### **Drought set to push up supermarket prices**

Bacon and egg fry-ups are to become more expensive, restaurant meals could follow and there are dire predictions the drought could empty supermarket shelves.

While the nation's farmers this week received a \$714 million pre-election helping hand, politicians and industry groups have warned everyone's hip pockets will be affected by the big dry.

Industry groups yesterday said the cost of producing most staple foods had risen sharply due to higher grain prices and the increase would have to be passed on to consumers.

Egg, milk, pork and other meat producers have complained higher grain prices were hitting hard, as they were forced to pay more for livestock feed.

Eating out will also cost more if the price of raw produce increased as predicted, the peak body representing Australia's 37,700 restaurants said.

Grain prices have risen during the past few weeks from a three-month average of \$290 per tonne, to a peak of \$492 per tonne on Monday - an increase of \$202, or 70 per cent.

The cost of producing a dozen eggs increased by up to 50c - or more than 20 per cent - in the past three months, the Australian Egg Corporation said.

"Australian egg farmers have never seen grain prices reach these levels for such a sustained period," managing director James Kellaway said.

Australian Pork Limited said its members would also have to put up their prices.

Restaurant and Catering Australia yesterday said the cost of food, had risen by about 6.3 per cent in the past two years.

### **Adelaide Advertiser**

#### **State to burn like never before**

Unstoppable bushfires will ravage South Australia as a warming climate brings longer, hotter summers, firefighters fear. At the launch of a CSIRO report predicting an alarming increase in bushfire weather, Country Fire Service chief officer Euan Ferguson said yesterday there would "be times when no force known to man can suppress these bushfires".

The report, commissioned by the Climate Institute, was the first to analyse data from observing stations in South Australia.

It showed conditions conducive to bushfires had become more common in the Adelaide area since 1980.

"This report confirms observations and intuitions of fire services across Australia that climate change is having an impact on bushfire severity," Mr Ferguson said.

"Longer fire seasons, more extreme days and greater extremes of bushfire conditions are what this report proposes."

Raging fires such as the January, 2005, Wangary fire on the Eyre Peninsula, which killed nine people, and the horrific Canberra bushfires could be a glimpse of what is to come without serious cuts to greenhouse gas emissions.

Climate Institute chief executive John Connor said: "This research highlights that we've had some of the most intense fire weather conditions in history since 2001.

"If we don't cut greenhouse pollution significantly, we will see almost a tripling of fire weather conditions by 2050."

As one report author, Bureau of Meteorology research scientist Dr Chris Lucas said one or two very bad days a year now would become five or six every year. "It would seem the change is happening more quickly than we anticipated," he said.

"It's a wake up call. It's not a future thing, it's now."

The report suggests the forest danger rating used by fire services would need to be upgraded to reflect heightened levels of risk.

#### **ALP to help finance desal plant**

Federal Labor would help fund a desalination plant in Adelaide if it won the election, Opposition Leader Kevin Rudd said yesterday.

During a visit to Adelaide yesterday, Mr Rudd said he would partner the State Government to fund the project announced this month.

In State Parliament yesterday, Opposition Leader Martin Hamilton-Smith said he had obtained documents showing the Government's four preferred locations for a desalination plant - Port Stanvac, West Adelaide, Torrens Island and Pelican Point.

Mr Rudd would not say how much federal money would be contributed to the plant, expected to cost more than \$1.4 billion.

28<sup>th</sup>

### **FarmOnLine**

#### **City hears drought hardships**

City people are listening, and starting to understand and respect the hardships faced by farmers in this enduring drought, according to president of the Local Government Association of NSW, Genia McCaffery.

At this week's drought summit in Parkes, Councillor McCaffery acknowledged it may be hard to convince those present that people in the city do care.

But she said the flow-on effects of drought, like people leaving their communities, water shortages and high food prices, were now reaching the city.

Cr McCaffery, who looks after the harbour-views council of North Sydney Council, said a solution to drought and how to manage the toll it is having on communities should be a shared one.

"We are reaching the point where the drought and its impacts may no longer be endured for yet another season," Cr McCaffery said.

"We really face the real prospect of mass departures of farmers from their land and the consequent destruction of rural communities.

"It may be hard to convince you all that we in the cities do care...and I understand your cynicism.



"I think it's easy to believe that many in the city just view the country as a nice place to visit on the weekend, enjoy the good produce and hospital, and then drive home maybe with a few cases of good wine in the boot.

"It is hard to explain the real situation when a green drought is being experienced in these areas city people regularly visit.

"But people in the cities do know food prices are rising, water supplies are no longer plentiful like they once were and that we now need to be careful about how we use water, in the way that rural communities have always understood."

Cr McCaffery said the growing number of city-country council relationships was helping the leaders of the bigger metropolitan shires understand that the country is hurting.

"Of course none of the adjustments that we in the city are making come even close to the level of disruption that you are now experiencing, but there is a learning process and a growing realisation that the problem is a problem that we must all fix together," she said.

President of the NSW Farmers Association, Jock Laurie, said the time's come for governments, oppositions and the general community to start to clearly think about what they think of agriculture and whether they actually respect it.

"They need to think about whether they need agriculture and rural communities, and make some pretty savage decisions about what to do in this drought," Mr Laurie said.

He said there must be a genuine commitment from the public to stick by agriculture if they value food and fibre production in Australia. SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

### **Farmer's vs State in Supreme Court water action**

A landmark case in the Supreme Court is set to have national water ramifications.

Farmers at Bothwell in the Tasmanian midlands are taking their own State government to court over their local Catchment Management Plan, a policy that may well contravene the National Water Initiative.

It appears the environment gets the water before the people in Tasmania after both the township and local farmers were shut off from the local water supply without warning last Christmas.

It's a practice allowed under the State's Catchment Management Plans according to local farmer Tom Edgell.

The Department of Primary Industries in Tasmania defended the decision based on the water levels in nearby Lake Sorell and Crescent but local farmers say the water levels were more than adequate.

It is for this reason that he has joined a number of farmers taking their state government to court in an attempt to overturn the plans.

Weighing into the debate now is the Federal Government.

A spokesman for the Assistant Minister for Environment and Water, John Cobb said it was "extraordinary that farmers had to take such drastic action in a time of drought".

The Federal Government has encouraged both parties to sit down and negotiate an outcome and avoid a costly legal bill. "It would be good if the Tasmanian State Government would show some leadership and resolve this issue," the spokesman added.

The Tasmanian government indeed appears to have contravened the National Water Initiative in three areas through a lack of transparency and engagement and a lack of clarity when assigning a change in water use.

Whilst the season has again been a dry one in the Midlands of Tasmania, water levels in the nearby lakes of Crescent and Sorell that feed the Clyde River still hold an enormous volume of water according to Mr Edgell.

Irrigation water, which provides the economic lifeblood of the community, was heavily restricted last year and none is available this year.

Just two inches of water from the top of the lakes would supply enough water for both the needs of the town and its farmers according to Mr Edgell, who added that almost a metre from the water level was lost in evaporation every year.

"These lakes provided secure water for Bothwell and for irrigation for over 170 years.

"The recently introduced plans have hugely eroded that security and supply. In spite of the requirements of the National Water Initiative, no compensation or adjustment for the community has been provided or considered and so the only option we have is to challenge it in court."

The Tasmanian Department of Primary Industries and Water has repeatedly stated it has done nothing wrong and has so far refused to enter negotiations.

On Wednesday morning this week Tasmanian Primary Industries Minister, David Llewellyn, announced that an emergency release for town stock and domestic water would be made available.

Mr Edgell said this highlighted the problems with their water management plans as the Minister had to seek Canberra's permission to make essential water available.

SOURCE: *Stock and Land*, Victoria.

### **Labor says drought beyond politics**

Labor's agriculture spokesman, Kerry O'Brien, is the first to acknowledge that if he could make it rain, it might well be an election winner. But he says drought is well beyond politics, and whoever is next elected to government will have a rural crisis on its hands which deserves bi-partisan support.

At this week's drought summit in Parkes, Senator O'Brien said Labor was firmly committed to the exceptional circumstances program, and he welcomed the new package announced by the Prime Minister of Tuesday.

"I think the important thing about all sides of politics being here is to indicate that there is bipartisan support for rural Australia," Senator O'Brien said.

"The Government and the opposition understand this is a very serious circumstance for rural Australia.

"Some parts of the country will have crops, other large parts of the country won't.

"Many farmers have faced up to five or six years without any income stream and it's coming to crunch time for many parts of rural Australia."

Senator O'Brien said with the national climate centre saying this drought may no longer be exceptional, and may in fact be "the norm", there's a real challenge ahead for the next government of whichever persuasion.

"I would hope that drought is beyond politics," he said.

"As we've indicated today, we see this as a bipartisanship.

"It's not an issue that we'll be seeking to score cheap political points about.

"We reserve the right to hold the government to account, but the reality is, neither party can make it rain, and I think we're going to have to buckle down and whoever wins the next election, deal with the fact that there's an impending, if not existing crisis in rural Australia."

However in a statement released yesterday, Senator O'Brien said he has been refused a policy briefing by Minister for Agriculture, Peter McGauran, on the new drought assistance package.

"I call on Mr Howard to pull Mr McGauran into line and reciprocate Labor's bipartisan approach," Senator O'Brien said.

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

### **Senate investigates climate change impact on ag**

What shape agriculture should take in a future headlined by climate change will be the focus of a new Senate inquiry, announced last week.

Proposed for the third time by The Greens, the Senate has agreed to look at the impact of climate change specifically on farming and determine what science and assistance is needed to help farmers adapt and stay viable, and whether there should be some transition out of farming for good.

Western Australian Greens Senator, Rachel Siewert, said climate change was having a big impact on Australian agriculture already and the current drought had everything to do with climate change.

"Climate change is kicking in and we have no doubt that the severity of the drought is influenced by climate change – there's a link there," Senator Siewert said.

"Australian agriculture is very good at adapting and we've been adapting to climate change for some time but we're now getting to the point where farmers can no longer adapt without help.

"They've basically done as much as they can. Farmers have reached a point that unless they get more help, they're not going to adapt to climate change in the future."

The inquiry, which almost certainly won't begin until after the election, will look at the scientific evidence available on the likely future climate of key agricultural production zones and the implication for current farm enterprises and possible future industries.

The Senate committee will also determine the need for any national strategy to assist agriculture to adapt to climate change as well as the adequacy of existing drought assistance programs to cope with long-term changes in the weather. She said farmers and farm lobby organisations have been talking about the impact of climate change and the need to address it a long time.

"It's the government which is actually behind in terms of the seriousness of this," she said.

"We need to be looking at modelling and what we expect the climate to be like in Australia in the future in the zones where we practice agriculture and we need to be doing the research to determine what shape agriculture will take in the future."

She says farming for the future needs a vision, which means talking about transition into more sustainable methods of farming.

SOURCE: Rural Press National News Service, Parliament House Bureau, Canberra.

### **Wine growers want drought package spelt out**

Wine growers will need a lot more detail about the latest exceptional circumstance drought assistance package before they can make urgent farm decisions.

Murray Valley Winegrowers chief executive, Mike Stone, said "everybody" is talking about the \$150,000 exit grant package and what it might mean for growers.

Mr Stone said the assistance package was welcome, and if coupled with improved wine grape prices this coming vintage, could make a big difference.

"If growers know it's worthwhile going out to buy water to keep their grapes going, they'll do that," Mr Stone said.

"Growers can't afford to pay \$1000 a megalitre for temporary water, and if they can't afford to buy water, our whole wine industry, growers and processors, will be at real risk.

"Regional production has dropped from 440,000 tonnes in 2005, to 416,000 tonnes in 2006, and 355,000 tonnes in 2007."

SOURCE: *Sunraysia Daily*, Mildura, Vic, a Rural Press publication.

**Prepare for food shortages – PM**

The drought will cause a food shortage and Australians may have to get used to paying much higher prices, says Prime Minister John Howard.

"There will be a food shortage and that will have an effect on prices. We do have to face that reality," he told Southern Cross Broadcasting in Melbourne.

"We are seeing what the experts call a climate shift, and I do think we should keep our heads about it. I don't think we should write off farming."

Mr Howard said it was not possible to avoid water restrictions because of the current inadequate water infrastructure.

**More dams the answer**

"But if some years ago we had not bowed so much to the greens and had built more dams, maybe things would have been different, and that applies all around the country," he said.

Mr Howard said the days of endlessly hosing the car on the back lawn on Sunday mornings were gone.

The prime minister said he did not believe the drought would drive many farmers off the land, even though the federal government had doubled exit grants to \$150,000.

**Viable farm sector**

The government paid such grants to farmers and not to other struggling businesses because of the special significance of maintaining a viable farm sector.

"You don't always score these things with total logicity. There is emotion in it, because we see farming as part of Australia and it is something very distinctive, the bush, the country.

"Battling on the land is part of our identity and we don't want to let go of it."

**Desalination good for some**

Mr Howard said he believed desalination would be good for some parts of Australia but not others.

He said it wasn't a particularly good solution for Sydney because of the the prevalence of coastal rain, which meant storm water capture and recycling was a better option.

But for Perth, desalination was a good idea, and perhaps also for Melbourne, he said.

**Adelaide Australian****Drought no worse than other big dries**

The drought affecting Australia is no worse than other well-known prolonged dry periods of the last century, say leading climate scientists.

Monash University's Amanda Lynch said the current drought was different from other dry spells in the past 100 or so years because it came on top of previous ones. "We have been hit with one event after another, and that's what's making them hard to deal with," she said.

The federation drought in 1895-1902 was followed by "a really nice wet period" but the current drought had grown out of the 1982-83 dry.

Professor Lynch said it was still not possible to link drought with human-induced climate change: "When you look at the consecutive dry days in Australia, which is what gives you a drought, the frequency of those is increasing, and the models that run with human-caused climate changes give you the same signal as those increasing run of dry days."

But computer modelling that did not include human influence did not show worse droughts occurring. "Because the models don't represent drought consistently ... we just can't pin it on human-caused climate change."

University of Southern Queensland professor in climatology and water resources Roger Stone said more regional modelling was needed to disentangle what, if any, influence climate change had on drought.

"We can't attribute any one particular event to climate change," he said.

And as there was no long-term perspective on the Australian climate, it was still too hard to separate influence from global warming from normal variability.

Australian Farm Institute executive director Mick Keogh said the history of droughts over more than a century showed the one constant in the Australian climate was change.

"The level of variability is such that finding a fingerprint in all that, saying 'Yes, there's something different occurring' is really quite difficult," he said.

Mr Keogh said that agriculture had reinvented itself several times after droughts.

"Since 2002-2003, we've probably seen a similar pattern and certainly the most recent situation would at least parallel the Federation drought," he said.

In the three years to August 31, rainfall has been below average or very much below average in most of the southern half of Queensland, all of the ACT and in western NSW, north and east Tasmania, most of Victoria, central and southern South Australia and along a coastal strip of Western Australia.

In a year during which the drought promised to break and then got worse, only one indicator stands in the way of a La Nina declaration.

### **Energy-saving measures key to greenhouse cuts**

Improving energy efficiency through new technology and energy-saving initiatives, such as installing insulation, will be the cheapest way to achieve the deep cuts to Australia's greenhouse gas emissions by the middle of the century.

Modelling by the Australian Bureau of Agricultural and Resource Economics estimates saving energy through the use of more efficient technology in industry and households will deliver more than half of its projected total greenhouse savings by 2050.

The new ABARE report, *Technology - Towards a Low Emissions Future*, assumes, in its modelling, the use of clean coal, nuclear and renewable technologies to help deliver emission reductions.

Despite these deep cuts, fossil fuels - coal, oil and gas - are projected to remain the dominant source of energy for the next 40 years, with capture and storage of emissions expected to play a growing role after 2030.

The report is also implicitly critical of strategies such as the Howard Government's new clean-energy target, saying while subsidies have a role in accelerating new technologies, they should not be used in such a way to increase costs to consumers.

Under the ABARE projections, renewable energy sources begin to make a major contribution to total energy supply after 2020, comprising more than one-third of total energy consumed by 2050, most of it from biomass derived from plants and waste.

Ominously, the report warns that even with the accelerated uptake of new technologies in developing countries, their emissions are projected to increase by 88 per cent between 2004 and 2050, fuelled by population growth and rising incomes.

However, the modelling is based on emission cuts of about 23 per cent by 2050, based on 2004 levels, below the cuts of between 40 and 90 per cent flagged as necessary by scientists.

Climate Change Institute policy director Erwin Jackson said last night that while it welcomed all comprehensive assessment of how to reduce emissions, the physics of the atmosphere required cuts about four times deeper than modelled by ABARE.

"Our own modelling for deeper cuts predicts a near (zero-emission) electricity industry in Australia by 2050," he said.

Research conducted for the insulation industry obtained by The Australian claims more than 100 million tonnes of greenhouse gases could be saved by 2050 by insulating the remaining 2.7 million uninsulated homes.

The ABARE report said the immediate uptake of currently available energy-efficient technologies was particularly important as it would reduce current emissions and the requirement for new emission-intensive energy infrastructure.

### **Water restrictions eased along Murray**

Water restrictions in Victorian towns along the Murray have been eased, despite low rainfall levels in the river's catchment area.

North East Water, Goulburn Valley Water, Coliban Water and Lower Murray Water have announced variations to their drought response plans to give the community some reprieve from stage-four restrictions.

The move has allowed residents of Victorian Murray River towns including Wodonga, Echuca, Swan Hill and Mildura to water household gardens for one hour, two days a week using a hand-held hose with a trigger nozzle, even though they remain on stage-four restrictions. Stage four precludes the use of any water outside the house.

The ban on watering lawns and washing cars remains.

Victorian Water Minister Tim Holding praised water authorities for allowing minimal garden watering and exemptions for some council sports grounds from October.

"Victorians love their household gardens and those gardens are an important part of the social fabric of our communities," he said.

"When particular towns and cities have reasonable water supplies, it is appropriate that limited garden watering can take place to allow people to keep their gardens alive."

Melbourne remains on stage 3 restrictions, which preclude any watering of lawns and restrict watering of household gardens to between 6am and 8am two days a week.

### **US vows to tackle climate change**

Washington: US Secretary of State Condoleezza Rice has declared climate change to be a "real and growing problem" that should be resolved under the UN, at the start of a forum of major polluters viewed warily by defenders of the Kyoto Protocol.

"We have come together today because we agree that climate change is a real and growing problem - and that human beings are contributing to it," Dr Rice said in her opening address today.

"I want to stress that the United States takes climate change very seriously, for we are both a major economy and a major emitter. We do not think of ourselves as standing above or apart from the international community on this issue."

The two-day talks in Washington, attended by 16 countries including Australia, kick off a 15-month process under which the participating economies will sketch targets for reducing their emissions, examine the possibility of a long-term goal and look at ways of harnessing the power of business and new technology to tackle their pollution, according to a US proposal.



The process was launched by US President George W. Bush, whose country is the world's number emitter of greenhouse gases, and who has been savaged abroad for abandoning the UN's Kyoto Protocol in 2001.

So his initiative has been clouded by suspicions, especially in Europe, that he wants to undermine efforts to strengthen Kyoto and instead cobble together a voluntary, unambitious deal among an elite club of carbon emitters.

The Washington talks notably take place in the run up to a key forum in Bali, Indonesia, from December 3-14 on how to deepen emissions cuts after Kyoto's first commitment phase runs out at the end of 2012.

In what seemed a clear attempt to play down the stature of the Washington talks, only six of the invited countries sent a ranking environment minister, with the rest represented only by ambassadors, junior ministers or even a senior official. Dr Rice, addressing these suspicions indirectly, strived to offer reassurances.

The talks aimed to "ensure that all of us are working pragmatically towards a common purpose, to contribute to a new international framework for addressing climate change beyond Kyoto and to help all nations fulfil their responsibilities under the UN Framework on Climate Change."

Nor, she indicated, would developing countries be pressured at Washington to make pledges that only rich countries could afford.

"This is not a one-size-fits-all effort," she said. "Every country will make its own decisions, reflecting its own needs and interests, its own sources of energy, and its own domestic politics."

The 16 nations gathered in Washington are Australia, Britain, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, South Africa and the United States.

Together they account for about two-thirds of the world's population, 80 per cent of the global economy and about 80 per cent of global emissions, noted Dr Rice.

Other representatives are from the European Union (EU) and the UN Framework Convention on Climate Change (UNFCCC), which is Kyoto's mother treaty.

About 50 demonstrators, chanting "Stop Global Warming Now," were taken away by police as they protested outside the State Department.

The big increase would come overwhelmingly from high-population developing countries.

AFP

#### **Dam algae all summer**

A layer of blue-green algae on the surface of Warragamba Dam - Sydney's main water supply - now covers 75 per cent of the surface area and stretches 58km from the dam wall along Lake Burrigorang.

"It is a bloom which, due to the warm weather, is likely to persist," NSW Water Minister Phil Koperberg said.

"It is very unlikely, unless there is some unforeseen meteorological event, that this bloom will either dissipate or disappear during the summer. It's more likely than not going to be around at Christmas."

Mr Koperberg said Sydney's drinking water might be mildly affected, but any effects would be limited, with water being safely drawn from 48m below the algae. "It is not a health risk," he said. *AAP*

#### **Labor to help farmers adjust to long-term climate change**

Every farmer who receives exceptional circumstances drought assistance will be offered a \$5500 grant to assess their property and receive training to deal with "climate change" under a LaborParty plan.

The ALP wants to recast the Howard Government's help to drought-stricken farmers to make long-term plans to adjust to climate change.

Labor primary industry spokesman Kerry O'Brien will today tell the Queensland Rural Press Club that Labor's agriculture policy will be linked to tackling climate change.

"Labor believes it is important for government to increase the number of drought-ready farming businesses so that farms are more prepared for years with reduced rainfall in a climate change environment," he told *The Australian*.

He said the Howard Government had denied the reality of climate change and consequently failed to embrace the challenge facing Australia's rural producers.

Senator O'Brien said government programs did not oblige farmers to make changes to management strategies or to plan for the future but were focused on short-term income support and professional advice to families.

He will announce that a Rudd Labor government will provide \$55million over three years to help farmers adjust to climate change, with money spent on financial assistance to obtain professional advice and training, and re-establishment grants. Senator O'Brien will also announce that a Labor government will provide an additional \$10million for the Rural Financial Counsellors Service: "Federal Labor believes that farming in the future has to be about viability in a changing climate, with more frequent and harsher droughts.

"Future farms will require drought management plans and business plans that incorporate drought management strategies. Future farms will need to implement effective drought mitigation measures in order to survive."

Senator O'Brien will declare that Labor will overhaul the policy settings for the FarmHelp Program to "clearly link social policy outcomes with long-term climate change adjustment".

"This means farmers receiving exceptional circumstances will receive assistance to evaluate their farm, seek advice and training and plan for the future to encourage improved adjustment outcomes consistent with longer periods of more intense drought."

He will announce that a Rudd Labor government will also spend \$15million over three years in a major new Climate Change and Productivity Research Program to assist farmers to respond to climate change.

These funds will be allocated to existing primary industry research and development corporations to develop and implement a climate change program for each major agricultural sector. Each corporation will have to publish a draft plan by September next year for implementation from 2009, and report annually on the link between public investment and research outcomes.

"A Rudd Labor government will work closely with farm leaders and the farming community to ensure there are positive incentives to increase the number of drought-ready farming businesses and over time, move toward better drought-proofing Australian agriculture in the context of a changing climate," Senator O'Brien will say.

#### **Garrett challenged on vote at UN meeting**

Labor has committed to signing the Kyoto Protocol to give Australia the ability to vote on a future international climate change agreement even though any new deal will be brokered by consensus.

Speaking to ABC TV, Labor environment spokesman Peter Garrett was critical of the Howard Government for refusing to ratify the protocol, claiming it meant Australia could not vote at a key UN meeting in December.

Mr Garrett said the looming UN framework convention on climate change (UNFCCC) in Bali was "the most important meeting of the international community that will happen in our lifetime".

"They (the Howard Government) talk about meeting the targets, but they cannot seriously justify the fact that they will go to an international meeting of this importance and not be able to take a vote," Mr Garrett said.

However, a former bureaucrat who represented Australia at meetings that negotiated the Kyoto Protocol said there was no voting at UNFCCC meetings because they had no rules of procedure to do so. Former ABARE executive director Brian Fisher said UNFCCC was a forum for negotiation rather than voting because all outcomes needed to be made by consensus.

Key negotiations on the framework of a post-Kyoto agreement will be hammered out during the Bali talks and Australia will have full representation.

Most experts think the Bali meeting is likely to be overshadowed by the Copenhagen meeting in 2009, with Bali expected to give a general sense of direction for negotiations.

It is understood Australia's refusal to sign Kyoto has a negative impact on its negotiators, but does not prevent their participation in the decision-making process.

A spokesman for Mr Garrett last night accepted there wasn't a vote as such but said there was a right of veto. "We don't have a veto at the meeting of parties to the Kyoto Protocol and to lack a veto is significant," he said.

Speaking from US climate-change negotiations in Washington last night, Environment Minister Malcolm Turnbull said it was specious to suggest Australia did not have a full role in the negotiation of the new agreement.

"Peter Garrett obviously does not understand the post-Kyoto negotiation schedule," he said.

#### **Act now or the planet gets it: Rice**

The US Government has dramatically changed its position on climate change warning that the planet will be destroyed unless economic growth is reined in.

In a plea to governments worldwide, US Secretary of State Condoleezza Rice called on leaders to agree to a long-term emission-cutting goal, British newspaper *The Financial Times* reported.

"It is our responsibility as global leaders to forge a new international consensus on how to solve climate change," Ms Rice was quoted as saying.

"If we stay on our present path, we face an unacceptable choice: either we sacrifice global economic growth to secure the health of our planet or we sacrifice the health of our planet to continue with fossil-fuelled growth."

President George W Bush is expected to address the meeting within the next 24 hours.

White House spokeswoman Dana Perino said that President Bush's speech would centre around the use of new technologies to combat climate change.

"He will talk about the need for new technologies in order to help solve this problem," Ms Perino said.

"(He will also speak about) eliminating tariffs so that developing countries can better afford or be given technologies that allow them to have clean-burning energy without harming the economy and without having the harmful air pollutants that can result from some traditional means, like coal."

Ms Rice's speech came just weeks after the Sydney Declaration on the environment, which was agreed to by APEC members and was criticised for not providing any real targets to reduce greenhouse gas emissions.

Foreign Minister Alexander Downer, who is attending the conference on climate change, said Australia, the EU and other developed economies would ultimately take on binding targets.

But he did not know if that would be true for the US or developing nations.

"Probably you won't do much better than getting them (developing nations) to commit to some sort of an aspirational goal," Downer said, adding that might also be true of the US.

Chief UN climate change representative Yvo de Boer told the conference he thought the discussions could contribute to the UN process.

At a December UN meeting in Bali, representatives will consider a way to cut emissions after the Kyoto pact expires in 2012.

De Boer said it was crucial that industrialised countries commit themselves to an aggressive approach that would involve "going well beyond present efforts, given their historic responsibility and their economic capabilities."

By most counts, the US is the world's top emitter of greenhouse gases, yet President Bush continues to resist binding targets, calling instead for voluntary approaches.

*With AAP*

#### **Adelaide Advertiser**

##### **Recycled water for councils, industry**

Recycled water from Mawson Lakes is being offered for sale to councils and industries to replace the use of mains water. Adelaide City Council is the first to take advantage of the State Government scheme which aims to maximise water efficiency.

It will cart water from Mawson Lakes' recycled water system to use on the new greenery at Victoria Square after the construction of the new tramline.

Yesterday, turf was laid in place of the tram tracks which had dissected the southern part of the square.

The tracks have been shifted to the western side of the square.

The lawn will require frequent watering until it becomes established.

Adelaide City Council is investigating long-term irrigation options in the square.

Water Security Minister Karlene Maywald said the first tanker of water would be used next week.

"The highest-quality recycled water available will be used to kickstart the rehabilitation of the square," she said.

##### **Water resources faces 60pc decline**

Adelaide's water resources could fall by up to 60 per cent by 2100 if there were a 3C rise in temperature from climate change, a new report states.

##### **Keelty defends climate security remarks**

Australian Federal Police (AFP) Commissioner Mick Keelty says climate change and terrorism are equal security threats for the future.

Mr Keelty today defended a speech earlier this week in which he identified global warming as the biggest security risk of this century.

Prime Minister John Howard today said terrorism and Islamic fundamentalism were the most immediate threats facing Australia rather than the global effects of climate change.

"I don't think you can compare one with the other, they're entirely different threats," Mr Keelty said.

"I don't think it matters which is more important, certain threats ascend at certain points of time in our history.

"As I understand it, the Prime Minister has come out today and said they're both equally a threat for the future and I agree with that."

Mr Howard said: "I don't think it's a question of an either, or. They are both big challenges and they are both things that we should worry about."

*More to come*

29<sup>th</sup>

#### **Adelaide Advertiser**

##### **Terrorism main threat, says PM**

Prime Minister John Howard and Defence Minister Brendan Nelson have rejected Australian Federal Police Commissioner Mick Keelty's assertion climate change, not terrorism, will be the main security issue of the 21st century. Mr Keelty in a speech in Adelaide this week, said climate change had the "potential to wreak havoc, cause more deaths and pose national security issues like we've never seen before".

Mr Howard, however, said terrorism posed a more immediate threat to the nation.

"Terrorism and Islamic fundamentalism are far more immediate threats to Australia than the mass movement of people from China as a result of water shortage," Mr Howard said.

"But I don't think it's a question of an either/or.

"They are both big challenges and they are both things that we should worry about." Dr Nelson said population shifts associated with climate change were one of the security challenges facing Australia in the future.

"I don't know, however – in fact, I haven't nominated that – as the most significant security threat that we face," Dr Nelson said.

Mr Keelty yesterday defended his comments, saying the two issues posed "entirely different threats".

"I don't think it matters which is more important, certain threats ascend at certain points of time in our history," he said.

"Nothing I've said diminishes the threat of terrorism. If you look at the future, there are a number of challenges and climate change is one of those challenges."

Labor, meanwhile, has launched a \$130 million climate change and primary industries policy. That includes \$60 million for a Climate Change Adaptation Partnerships program, \$55 million for a Climate Change Adjustment Program and \$15 million for a Climate Change and Productivity Research Program.

### **New ban on dams, bores**

A BAN on all new dams and bores in the Adelaide Hills is being considered to curb the drain on local water supplies. The Adelaide and Mount Lofty Ranges Natural Resources Management Board is reviewing the use of water resources in the western Mount Lofty Ranges, which stretch from Cape Jervis to Gawler. It has developed nine discussion papers which have been released for public comment about options for a water allocation plan, which would better manage water use and ensure environmental sustainability. Options include tighter controls on water use, infrastructure and forestry and a new rule to force water licence holders to provide water for the environment.

The papers also outline proposals to prohibit new dams in reservoir catchments to protect Adelaide's water supply and bans on new dams and bores in areas which had reached sustainable limits.

Board general manager Kym Good said underground and surface water extractions in the ranges had exceeded the sustainable limit in some areas. He said farming and irrigation areas were most affected.

"It varies across the region but there are some parts of the Mount Lofty Ranges that are more heavily used and we believe there are some areas that are likely to have reached the sustainable limits," he said.

"There are certainly areas that we need to look at more closely so part of this planning process is to talk with the community about how much water is currently being used. What the water allocation plan is going to do is develop the rules and processes within which people can be allocated and use or trade that water in the area."

Mr Good said the extent of dwindling supplies had not been identified and research was under way.

The discussion papers outline each proposal, the science behind each option and the pros and cons of implementation. Responses will be used to develop the draft water allocation plan which will be released for public consultation next year.

### **Water policy leaving Rann high and dry**

The coming months will be a long, hot summer for Premier Mike Rann and, possibly, the most dangerous for his Government.

With little or no rain likely based on current predictions, water will remain an issue of some significance – especially water restrictions.

Mr Rann is very aware of the knife edge his Government is on when it comes to water.

His sudden commitment to a desalination plant after months of saying the Government wanted to wait until it had a report from a working party was evidence of that.

Even the latest polls show Mr Rann's approval suffering as a result and he would have been looking for breathing space as a result of the desalination announcement.

He is not likely to get that because water restrictions continue to anger voters and if further restrictions are introduced over the summer, Mr Rann's approval rating could suffer even further.

You can be sure that over the summer he will be hammering his point that Labor has not done enough to prepare the state for the future. What might give Mr Rann some leeway, will be the outrageous behaviour of his interstate counterparts in Victorian Premier John Brumby and NSW Water Minister Phil Koperberg. Both are refusing to quarantine Murray River water for Adelaide and other towns for next year. This flies in the face of the national water plan the Commonwealth, SA, NSW and Queensland signed up to earlier this year. Victoria was the only holdout and Mr Brumby is making it absolutely clear he cares little about the water situation in SA saying the federal plan is "absolutely scandalous and Victorian irrigators should not have to give away their water".

Mr Koperberg agrees with Mr Brumby saying: "The suggestion we quarantine completely what we have left in the context of providing something for a period when something might not happen seems to me to be exacerbating the seriousness of what we are doing now."

Mr Rann has written to Mr Brumby calling on him to change his mind and come to the party saying he was "gambling with the future of the Murray". But it is his only lifeline and even an announcement within the next month or so about a desalination plant and the go-ahead for increasing the size of the Mt Bold reservoir will not quell public disquiet over dying lawns and gardens.

Opposition Leader Martin Hamilton-Smith, who has managed to grab the political spotlight and hold it since his elevation to the leadership is aware of the Government's vulnerability on this issue.

His public profile continues to grow, even though his popularity is not being translated into support for the Liberal Party.

Mr Hamilton-Smith is not one to rest on his laurels and he will work even harder now to highlight what he says is the Government's lack of planning on water issues.

This will involve continuing to push the Opposition line that planning for a desalination plant should have been much further advanced and that more work should have been done to wean the state off its reliance on the Murray.

### **No targets on climate change**

Major polluters such as China and India are unlikely to accept binding greenhouse gas reduction targets at the Washington summit on climate change.

### **HAMLEY BRIDGE: No waste of water**

Wastewater from the town will be used to irrigate the primary school oval.



### Drought puts town's survival at risk

A bitter wind stirs the red dust, bringing tears to the eye in Terowie, South Australia.

A town that was once the heart of a thriving agricultural district is today a shadow of its former self: the water is gone and so are most of the people.

Terowie grew up on the margins of viability in a heartbreak reach of rural Australia, straddling the railway and Goyder's Line, which was what used to separate the country that people could make something of from that which would support little more than the odd bedraggled sheep, saltbush and weeds.

The trains stopped running years ago when the railway between Broken Hill and Adelaide was rerouted.

Abandoned shops -- boarded up or with faded lace curtains drawn -- in the main street are a sad reminder of what was once a hub of farm trade.

What little rain used to fall has dwindled away as the worst drought anyone can remember tightened its grip. Last year's rainfall was half the already low historic average of 347mm.

In Terowie, population 200 (one-10th of what it once was), and 200km north of Adelaide, people are asking themselves: can we still make a go of it?

It's a question that resonates as never before in rural Australia.

This week, Labor's spokesman on climate change, Peter Garrett, backed a national audit of the nation's productive land to determine whether some historically marginal farming and grazing areas had now slipped over the edge of viability and should be abandoned.

Unkind souls are now talking about a "Garrett Line".

Agriculture Minister Peter McGauran is bitterly opposed to such an exercise.

"Labor's plan to decide which parts of Australia can and can't be farmed poses an ominous threat to many farming families who are already under significant stress from the impact of the drought," Mr McGauran told The Weekend Australian.

But the remaining residents of Terowie and the handful of consolidated farms it services are uncertain whether their community has a future.

"Around this area, a lot of people have actually gone off the farms, and only one or two families are surviving," said Leonie Pratt, owner of the Terowie general store. "Because of the drought, they have had to sell up.

"You are losing not just the family, but the generation of families, which then affects the school."

Peter Matthey, who runs 16,000 sheep on his property near Terowie, believes a new assessment needs to be made about what land is sustainable for agriculture.

"There are still some people trying to do a bit of crop growing outside Goyder's Line, but even the marginal areas just inside Goyder's line I think will come into question over time if they're not already in question," he said.

"If you don't like dry times, you're better off going to live somewhere else because you're going to get it. It's a fact of life."

Mr Matthey, whose family property started 130 years ago with 12 milk cows, has progressively bought departing neighbours' blocks, and now holds 44,000ha.

"We have had an exodus of people off the land over the past 10 years," he said. "When you have only got eight or 10 families left, and you lose two or three of them, it's quite a big impact."

The Terowie primary school -- with 25 students, none from farming families -- uses a bore for taps and toilet water and buys drinking water from the general store. Last week, they ran out of water.

Kay Matthias, manager of the South Australian branch of the Rural Financial Counselling Service, said: "The family farm as we used to know it in those areas no longer exists. Mum and dad fight it out until the end but the young ones move away."

Locals say the rainfall drops an inch (2.5cm) for every mile (1.6km) north of the road between Jamestown and Hallett, in South Australia's mid-north. Some say growing the region's traditional staple of cereal crops is now a waste of effort.

"Absolutely," Ms Matthias said. "I couldn't support that any more. That is a reality. That will happen. Governments can't continue to prop them up either."

Traditionally, stoic cockies have shied away from seeking the kind of help she offers. Not any more. They are coming forward because the next-door neighbour has seen a counsellor, or the man across the road, or the bloke at the pub. About 40 per cent of farmers in the region already get by with the help of Canberra's "exceptional circumstances" assistance.

"Things are so tough that people just don't see it as welfare any more," Ms Matthias said. "It's a very emotional thing. I mean, farming's in the blood. But a certain amount will leave the industry, not just in that area, but across the state."

Goyder's Line, the 1865 boundary drawn by then South Australian surveyor-general George Goyder, notionally divides cropping from pastoral land, but locals fear the combination of drought and climate change has shifted the marker south, making the country unviable.

The community is ageing as the farmers' children seek greener pastures in the cities or the mines.

Terowie school principal Pam Cregan said perhaps settlers and more recent farmers should have paid more attention to Goyder and his famous line. "I think he knew what he was talking about, that man," she said.

Northern and Yorke Natural Resources Management Board general manager Des Bilske said at the very least some marginal country might have to go back to pasture.

Even then, the outlook was bleak. "Most of the property owners don't want their children to take over the farm and the kids don't want to take over the farm anyway," he said. "Quite often, the parents send them off to get a university education, saying it's too hard."

With fewer people on the land, is there a future for places such as Terowie? "That's the really tough thing," Mr Bilske said. "Unless there is something else to hold the town together, with the big corporations taking over, there's fewer people employed locally."

Hopes were raised and dashed when a front drifted tantalisingly across the state in the middle of the week. Parts of the Riverland received 10-15mm of rain but most of the Terowie area missed out on significant falls.

For the area to remain under crops, and for the town to survive, a monumental turnaround is needed.

#### **BBC News**

#### **Warming 'opens Northwest Passage'**

The most direct shipping route from Europe to Asia is fully clear of ice for the first time since records began, the European Space Agency says.

Historically, the Northwest Passage linking the Atlantic and Pacific Oceans has been ice-bound through the year. But the agency says ice cover has been steadily shrinking, and this summer's reduction has made the route navigable. The findings, based on satellite images, raised concerns about the speed of global warming.

'Extreme'

The Northwest Passage is one of the most fabled sea routes in the world - a short cut from Europe to Asia through the Canadian Arctic.

Recent years have seen a marked shrinkage in its ice cover, but this year it was extreme, ESA says.

It says this made the passage "fully navigable" for the first time since monitoring began in 1978.

"We have seen the ice-covered area drop to just around 3m sq km (1.2m sq miles)," Leif Toudal Pedersen of the Danish National Space Centre said.

He said it was "about 1m sq km (386,000 sq miles) less than the previous minima of 2005 and 2006".

"There has been a reduction of the ice cover over the last 10 years of about 100, 000 sq km (38,600 sq miles) per year on average, so a drop of 1m sq km (386,000 sq miles) in just one year is extreme," Mr Pedersen said.

The Northeast Passage through the Russian Arctic has also seen its ice cover shrink and it currently "remains only partially blocked," ESA says.

'Battle for Arctic'

Scientists have linked the changes to global warming which may be progressing faster than expected.

The opening of the sea routes is already leading to international disputes.

Canada says it has full rights over those parts of the Northwest Passage that pass through its territory and that it can bar transit there.

But this has been disputed by the US and the European Union.

They argue that the new route should be an international strait that any vessel can use.

#### **News.com.au**

#### **Climate meeting branded failure**

The White House-sponsored climate change conference, which ended today, has been labelled a failure by one of Australia's most powerful commentators on the environment.

Don Henry, executive director of the Australian Conservation Foundation, said Australia needed to stop copying the US position on climate change immediately.

"It is disappointing the conference has not delivered," Mr Henry said.

"(US) President (George W.) Bush is still resisting setting binding targets or commitments on greenhouse gas emissions.

"He wants the flexibility of voluntary targets.

"The US is the world's biggest climate laggard and are holding up global action on climate change."

Mr Henry said Mr Bush's climate change policies were "disastrous" and Australia had to "disconnect" itself from them.

"More than any other country on Earth we should tackle this issue seriously with our water supplies at risk and the Great Barrier Reef," he said.

"At the conference every developed country has taken on board binding targets and every developing country has committed to cleaning up their economy and set long-term aspirational goals.

"The only two that have not are Australia and the US who have not ratified the Kyoto Protocol and stand out like sore thumbs."

The conference in Washington ended today and involved major economies responsible for four-fifths of the world's greenhouse-gas pollution.

The countries will hold further meetings next year that would explore solutions to the global warming crisis.

The two-day event gathered Australia, Britain, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, South Africa and the United States. They were represented at ministerial level or below. The goal is to look at ways of spurring private-sector involvement in tackling climate change and encouraging the transfer of cleaner technology to big developing countries that are fast becoming major polluters.

### US climate meeting agrees to more meetings

A gathering of major economies responsible for four-fifths of the world's greenhouse-gas pollution ended today, agreeing to hold further meetings next year that would explore solutions to the global warming crisis.

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Representatives from the European Union (EU) and UN Framework Convention on Climate Change (UNFCCC) also attended. The initiative was proposed by US President George W. Bush in the runup to the Group of Eight (G8) summit in Heiligendamm, Germany, in June. The goal is to look at ways of spurring private-sector involvement in tackling climate change and encouraging the transfer of cleaner technology to big developing countries that are fast becoming major polluters. Its results will feed into the global process for tackling the problem – the UNFCCC, which is the parent of the Kyoto Protocol. Mr Bush today also proposed a summit of the “major emitters” in mid-2008 to finalise a long-term goal for curbing greenhouse-gas emissions.

30<sup>th</sup>

### **Sunday Mail**

#### McLaren vale sprawl brawl

Picturesque McLaren Vale is locked in a battle to save its tourism treasures from urban sprawl.

Food, wine and tourism industry leaders have joined community groups to fight State Government plans to extend Adelaide's urban boundary near Port Willunga. The Southern Community Coalition has written to all state Cabinet ministers on behalf of the McLaren Vale community to protest against planned changes to Adelaide's urban boundary that would make development possible on what protesters say is prime agricultural land.

It also plans a series of public events to express community concerns.

These will include an information booth at the opening of Willunga Town Square on October 13, activities during the Tasting Australia Festival from October 13-20 and a public forum with local and State Government involvement later this year. Key food, wine and tourism figures have given their support to the coalition's submission to the Government.

These include Port Willunga's Star of Greece restaurant owner Zanny Twopenny and McLaren Vale Grape Wine and Tourism Association chairman Jock Harvey.

The Government announced proposed changes to the urban growth boundary in July, which include opening up 400ha of land at Bowering Hill for residential development.

At the time of the announcement, Urban Development and Planning Minister Paul Holloway said areas within the proposed new boundary would "not include any environmentally sensitive land or land used for high-value agriculture".

However, Southern Vales residents and businesses said land to be included within the proposed new urban boundary at Bowering Hill is of great agricultural, environmental and historical significance.

Adelaide Showground Farmer's Market project manager Zannie Flanagan said the area was some of the best grain land in Australia and had been described as the best arable land in South Australia.

"It has the potential for many other crops and orchards as well as olives and grapes," she said.

Mr Harvey said the land should be released for vineyards and open space.

"It could grow (Penfolds) Grange, without question," he said.

"It's beautiful red loam over limestone – like a terra rosa. We're not against all development in the region but we'd like to have some constructive dialogue with the Government about the type of development."

The current urban boundary was introduced in 2002 to focus residential development in areas with significant investment in infrastructure and to protect high-value agricultural land near the boundary.

Southern Community Coalition spokeswoman Stephanie Johnston said opposition to the extension of the urban growth boundary was not a case of "not in my back yard".

"This area is not just our back yard – it's Adelaide's playground," she said. "If housing spreads right through that area, it would mean people drive through the suburbs to get to McLaren Vale instead of escaping the suburbs for McLaren Vale.

"There's also very strong argument to protect the land . . . as one of the last bits of fertile agricultural land available on the Adelaide plains," she said.

Ms Johnston said the Southern Community Coalition would hold a demonstration against the proposed urban boundary changes at the opening of the Willunga Town Square on October 13. In a statement emailed to the *Sunday Mail* by his media adviser, Rik Morris, Mr Holloway said the Government would "begin the process of giving submissions careful consideration over the coming weeks and months".

He said the Government did not consider the Bowering Hill area to be high-value agricultural land.

"Whether we go north or south, this is the sort of land that we have had to identify for possible urban expansion in the medium to long term," he said.

**Daily Telegraph****Farmers must stop whinging**

THE new Speaker has made an unprecedented speech in State Parliament to urge drought-affected farmers to stop whinging.

The Independent member for the Northern Tablelands, Richard Torbay, says farmers are partly to blame for being portrayed as victims.

He said it was time regional communities focused on the positives of living out of the city or face forever being cast into the role of victim.

"I always wince when I hear people talk about the country in lame-duck terms, as if the only things its communities experience are droughts, floods, bushfires and hard times," Mr Torbay said.

"If I were to be perfectly honest, I would admit that we sometimes bring it on ourselves, ably assisted by the media. In reality, this image could not be more inaccurate."

It is the first time a Speaker has made a speech in State Parliament - a move that was made possible following new rules adopted by both the lower and upper houses.

Mr Torbay, who is the first Independent to take the role of Speaker in State Parliament since 1913, said he was passionate about the bush.

While not a farmer, Mr Torbay has lived at Armidale since the mid-1970s, after relocating from Sydney.

Mr Torbay said while he empathised with farmers who were doing it tough, many regional communities were also flourishing.

"In the Northern Tablelands, which I am proud to represent, the economic barometer is metering booming times," Mr Torbay said.

"Almost all of (the electorate's) centres are experiencing unprecedented growth, new investment and development."

Mr Torbay said the focus on droughts and floods had the potential to drive away "tree-changers" - city-dwellers looking for a new place to live.

"When I talk to metro people, they think everyone in the regional area is a whinging farmer dying of bankruptcy," he said.

"Regional communities are incredibly positive places to live and we should be talking them up.

"I acknowledge there are hardships but we've got to come up with solutions and stop talking about farming in negative terms."

**What an insensetive jerk.**

**Howard misses green light**

Even John Howard's harshest critics regard him as a canny politician. That's why practically every Labor MP inclined to talk about him describes the Prime Minister as "clever" or "cunning".

It's a backhanded compliment, of course, intended to convey trickiness and sneakiness. But it's also an acknowledgement of Howard's generally shrewd judgment over the past decade or so.

On climate change, however, Howard's political compass has gone badly awry. Last week, Al Gore, a former US vice president turned documentary-maker and climate-change messiah, visited Australia.

Gore met with Opposition Leader Kevin Rudd and shadow environment minister Peter Garrett. I'm told he was open to meeting with Government figures, but nobody was interested.

Late last year, Gore was in Australia launching his internationally successful film *An Inconvenient Truth*. Back then, he wasn't merely ignored by the Coalition, he was ridiculed as well.

"It's just entertainment, really - that's all it is," was how Industry Minister Ian Macfarlane dismissed Gore's documentary.

Howard seemed uninterested in meeting Gore because his political colours clashed with those of the PM's great friend, George W. Bush. As Prime Minister, Howard doesn't enjoy the luxury of pandering to green activists and ignoring the impact on livelihoods and jobs.

Gore's argument is that urgent government action is needed to avert climatic chaos.

If you believe his line about the world being on the brink of environmental catastrophe (and the PM plainly doesn't), logic dictates governments and households must try to drastically reduce greenhouse emissions.

Labor seems to be arguing that signing Kyoto, installing a water tank and switching brands of light bulbs will do the trick. This defies credibility.

Nonetheless, Howard has made a complete political hash of climate change. For years, he stridently ruled out a domestic carbon-trading system that didn't bind overseas countries.

Then, last July, the PM was compelled to backflip and commit to a domestic scheme by 2012. Similarly, he has equivocated wildly about setting a mandatory renewable-energy target that would force governments to harness a set quantity of electricity from wind, water and other clean sources.

In 2004, the Government rejected its own committee's recommendation that 20,000 gigawatt hours of renewable electricity per year be sourced between 2010 and 2020. Only last week, Howard consolidated state government targets to compel almost 30,000 GWh of clean electricity.

Howard has been reluctant about making carbon-emission commitments at the expense of jobs and business viability. Fair



enough. But as the PM stayed cautious, the boat has moved on.

57

Eight of the 23 senior chief executives interviewed by *The Australian* last week listed climate change as one of the most urgent issues facing the Government and their organisations.

A Newspoll earlier this year showed more than 90 per cent of voters regard global warming as a pressing problem.

You don't need to be a wishy-washy, leftie greenie to understand the political dynamics of climate change.

British Conservative Party leader David Cameron has adopted targets and policies similar to Labor. Republican California governor Arnold Schwarzenegger is a world leader on climate issues.

"Right now, in California, the brightest scientists from around the world and the smartest venture capitalists are racing to find new energy technologies and the solutions to global warming," Schwarzenegger told the United Nations last week.

"Do I believe California's standards will solve global warming? No. What we're doing is changing the dynamic and preparing the way."

Substitute "Australia" for "California" in those sentences and contemplate the enormous potential surrendered by John Howard's refusal to take a lead on global warming.

Last month, four of the six Liberal MPs on a committee investigating clean coal questioned the link between human activity and climate change.

Even when the PM's instincts are genuine, as in his push for relatively clean nuclear power, he has ensured this will never happen by committing the Coalition to plebiscites on the siting of base stations and dumps.

Even if Howard is proved right on the science of climate change, he's been desperately wrong on the politics.

**Another month passes with disappointing happenings: -**

**Water (or the lack of it) & Climate Change remain political footballs being hand balled back and forward.**

**It's about time the powers to be at both Federal and State level realised that it's Australia and our future they are messing with.**

**The SA Government is still pushing the barrow – 500,000 more people in SA by 2050.**

**How will the infrastructure in SA cope (it isn't coping now) and I'm not just talking water and electricity and 'climate change' we will need more: - Water/Electricity/Gas/Phone connections/Doctors and the surgeries for then to work at/Hospitals (and I don't mean in the city)/Churches/School/Shopping Centres and much more infrastructure.**

**As a 'climate change' presenter I was extremely disappointed that Al Gore endorsed the policies of the Opposition when we as presenters try as much as possible to be non political.**

**I returned (earlier last week) from delivering 'climate change' presentations at Kadina, Ardrossan, Moonta, Tumby Bay & Port Lincoln and was amazed at the lack of knowledge about the Murray-Darling Basin and so much that happened in the Basin and the disastrous state it is in and what the consequences that may ensue.**

**The Yorke and Eyre Peninsula's are in real trouble as are so many persons living on the land in Australia are, we must band together and work successfully to assist where possible.**

**Thankyou one and all.**