

Water

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Some Like it Hot, Renmark,
6th November 2008

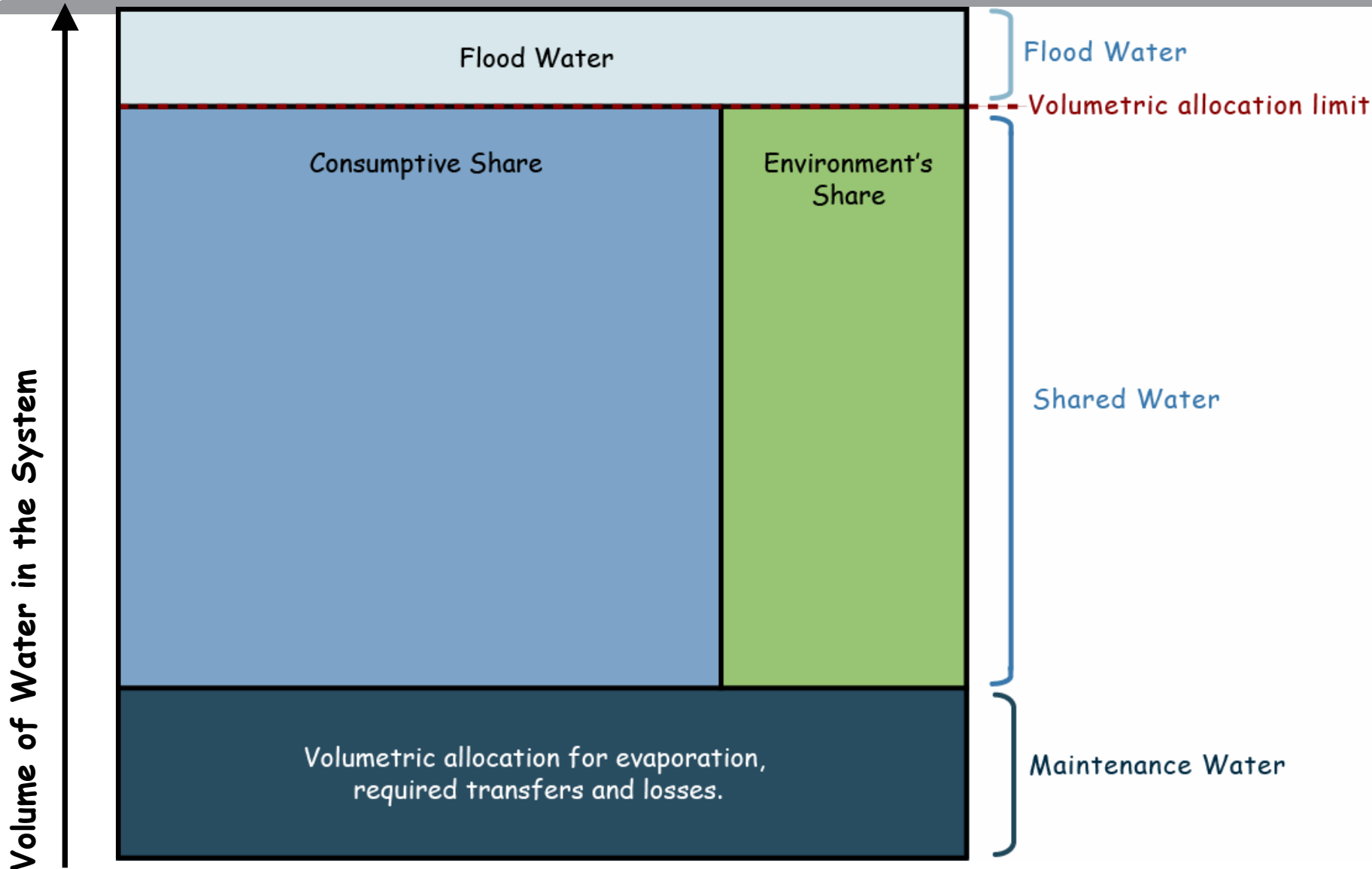
Murray River at Wentworth, NSW during 1914 drought



(Photo courtesy of the State Library of South Australia)

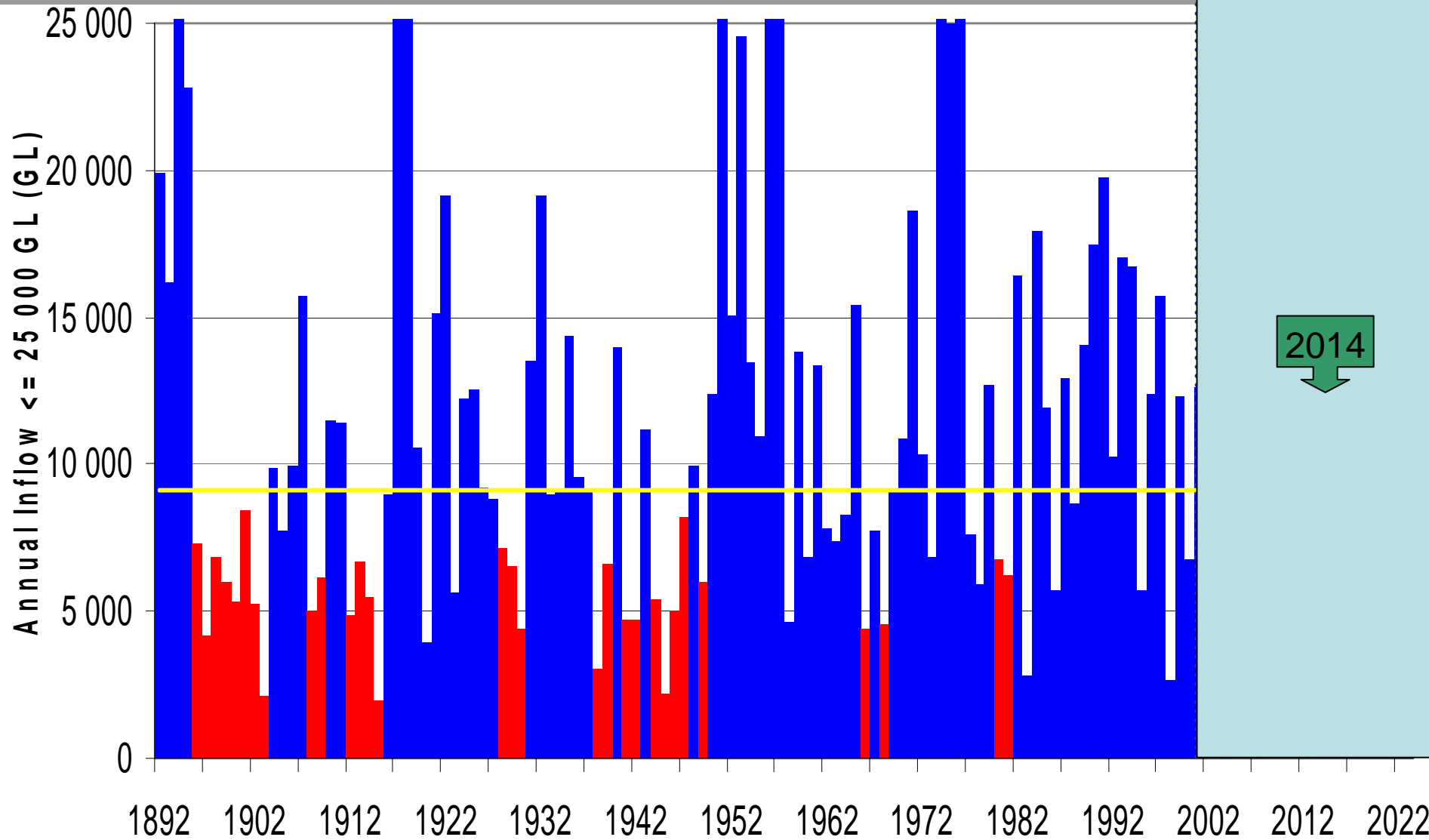
1. A sustainable sharing system for ground & surface water
2. Put all states under the same inflow sharing regime
3. 100% carry over of all water
4. Require off-set of all land use change that erodes entitlement reliability (forests, dams, SIS)
5. An independent authority making allocations to shareholders
6. If still dry, review system configuration & size from top to bottom
7. Use the \$5 billion on offer to restructure the industry quickly

A sharing regime or a cap?

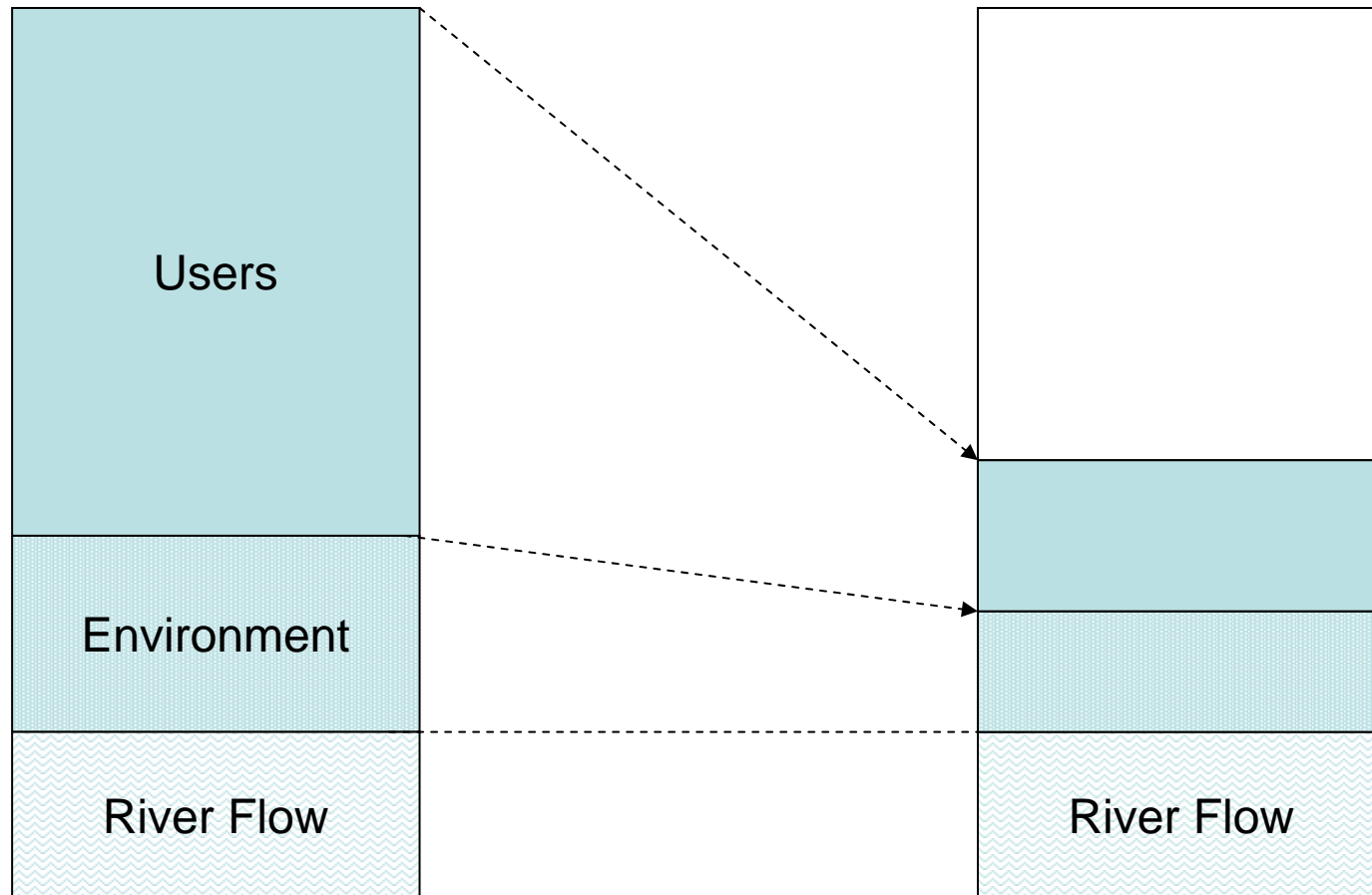


Total River Murray System Inflows (including Darling River) with post 1938 sequence imposed from 2002

Re-live from 1938

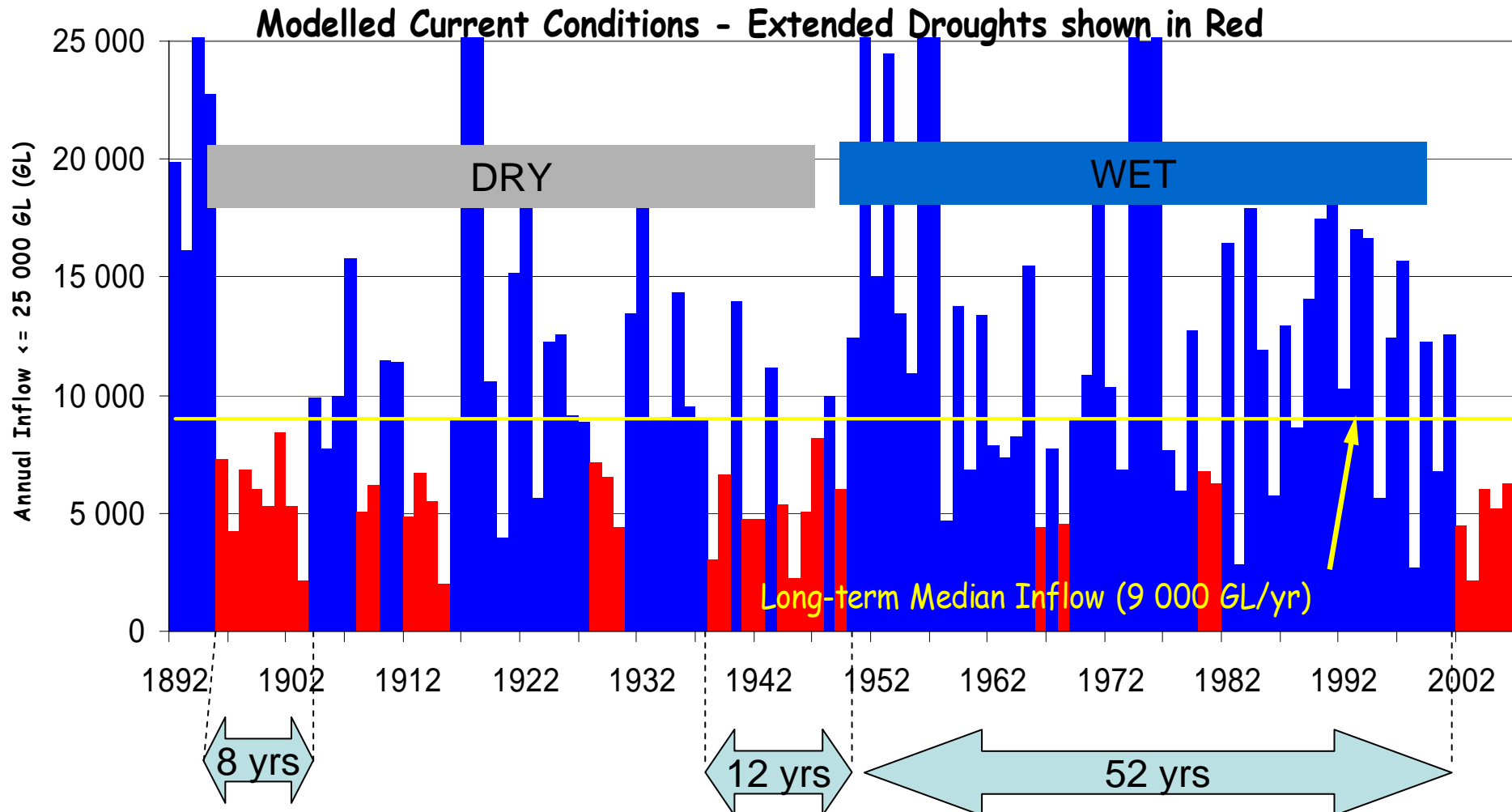


With half as much water



Long dries

Total River Murray System Inflows (including Darling River)



Adverse climate change

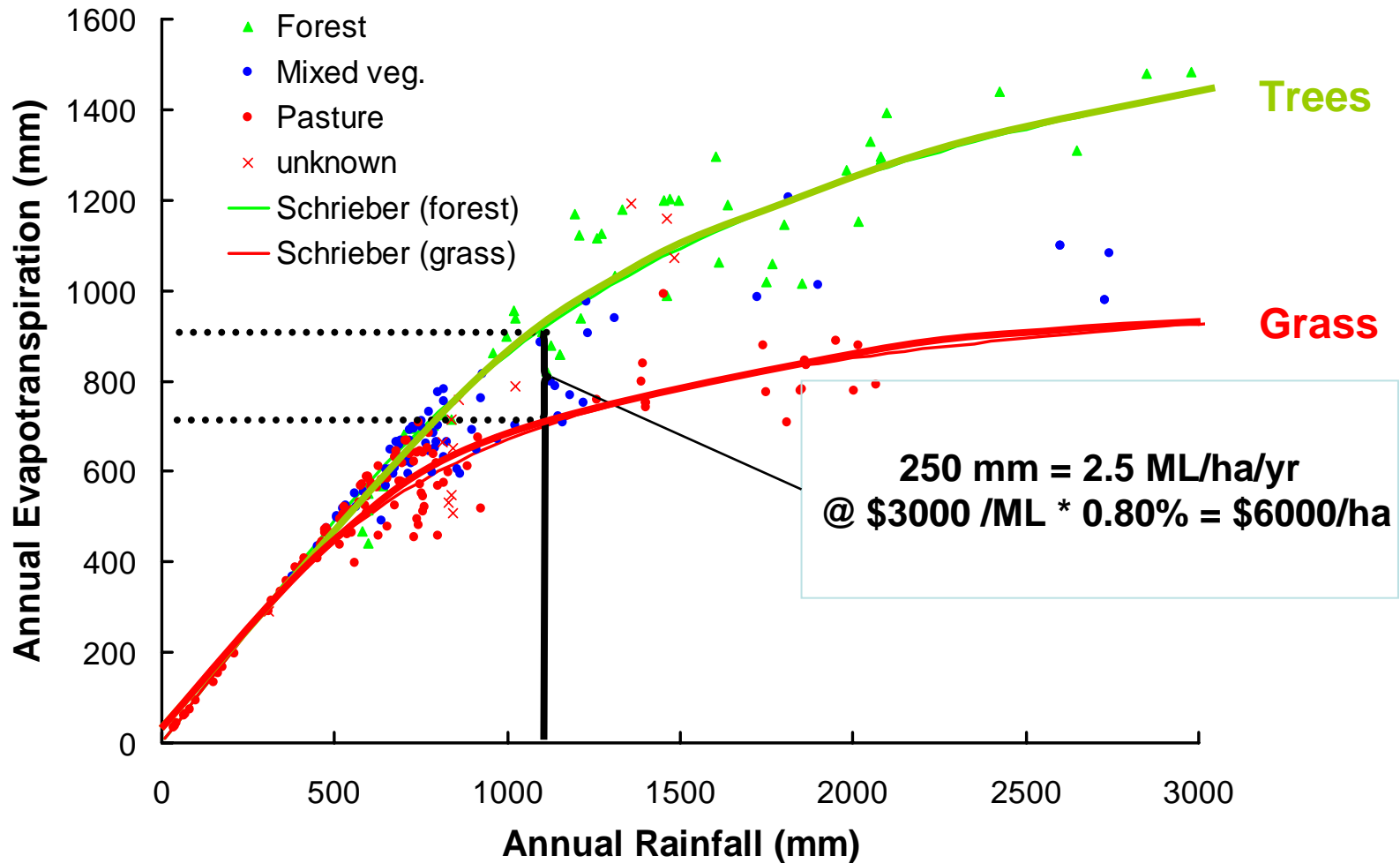
In Mediterranean climates, a 20% decline in mean rainfall results in around a 60% decline in mean storage inflow

Mean supply	10,000	Mean supply	4,000
River & Storage Evap	2,000	River & Storage Evap	2,000
<u>Flow to sea</u>	<u>2,000</u>	<u>Flow to sea</u>	<u>2,000</u>
Deliverable water	6,000	Deliverable water	0
Environment Use	1,500	Environment Use	0
<u>Consumptive Use</u>	<u>4,500</u>	<u>Consumptive Use</u>	<u>0</u>
	<u>0</u>		<u>0</u>

Is this ground or surface water?

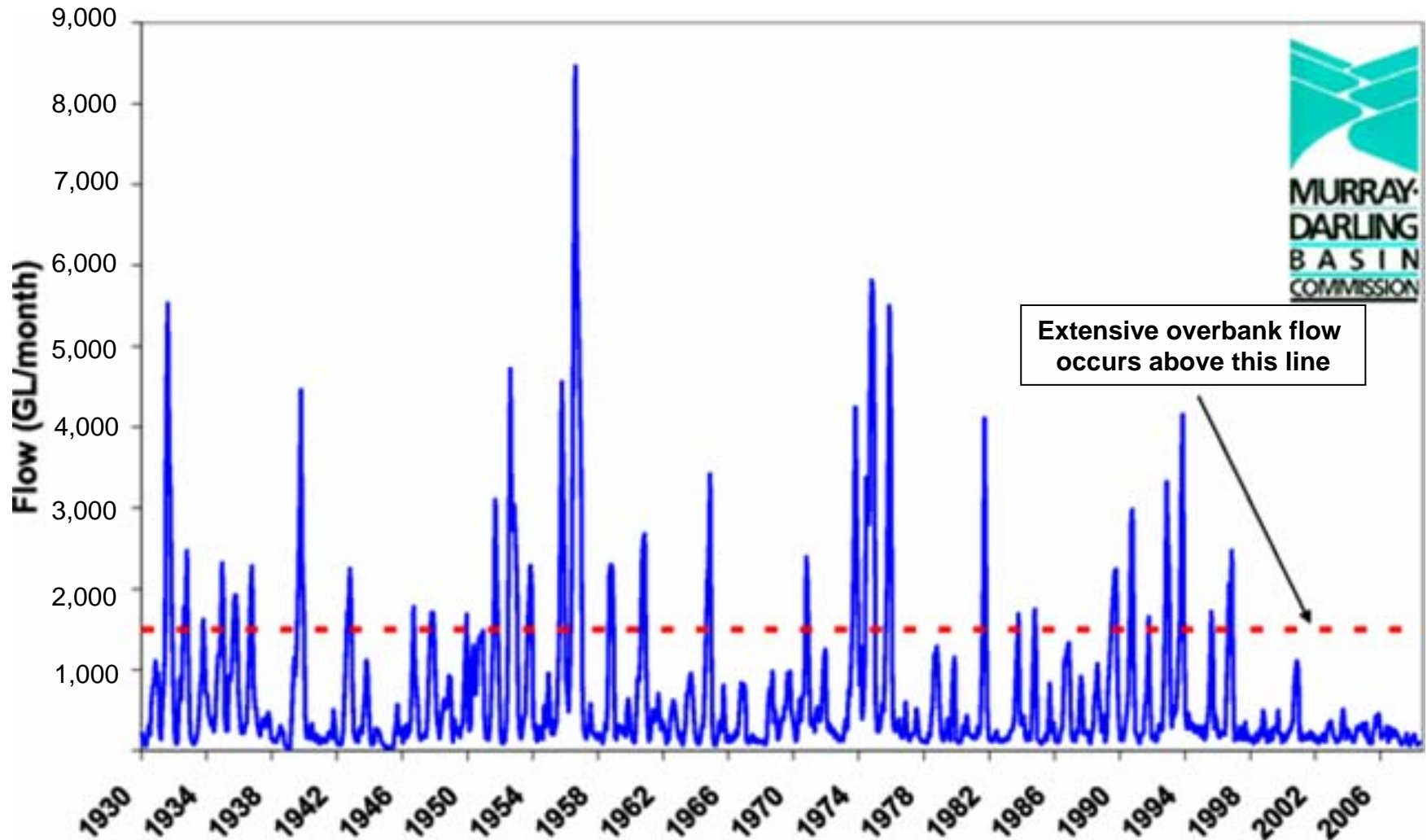


Accounting for Forestry



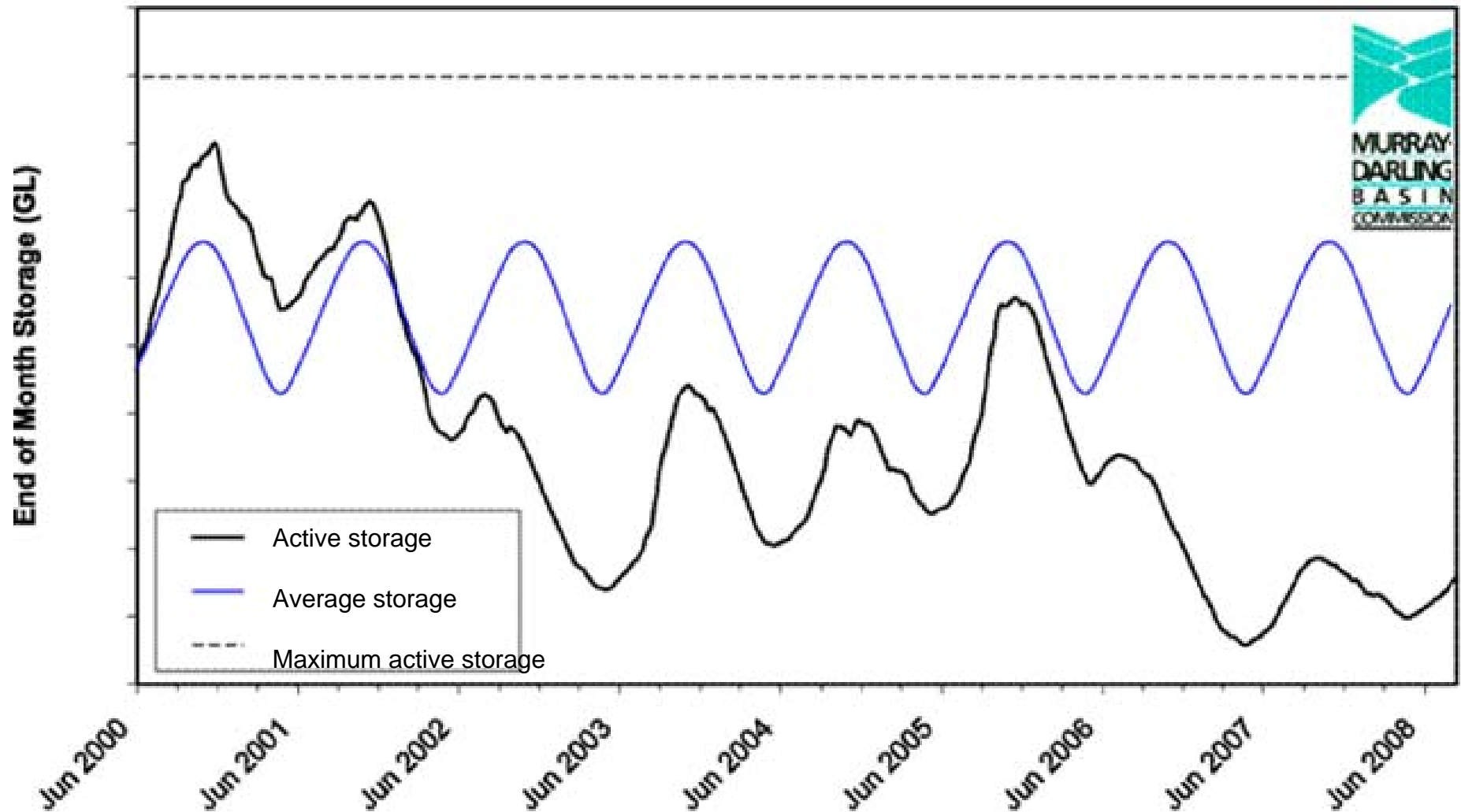
The state of the system

Monthly flows past Euston

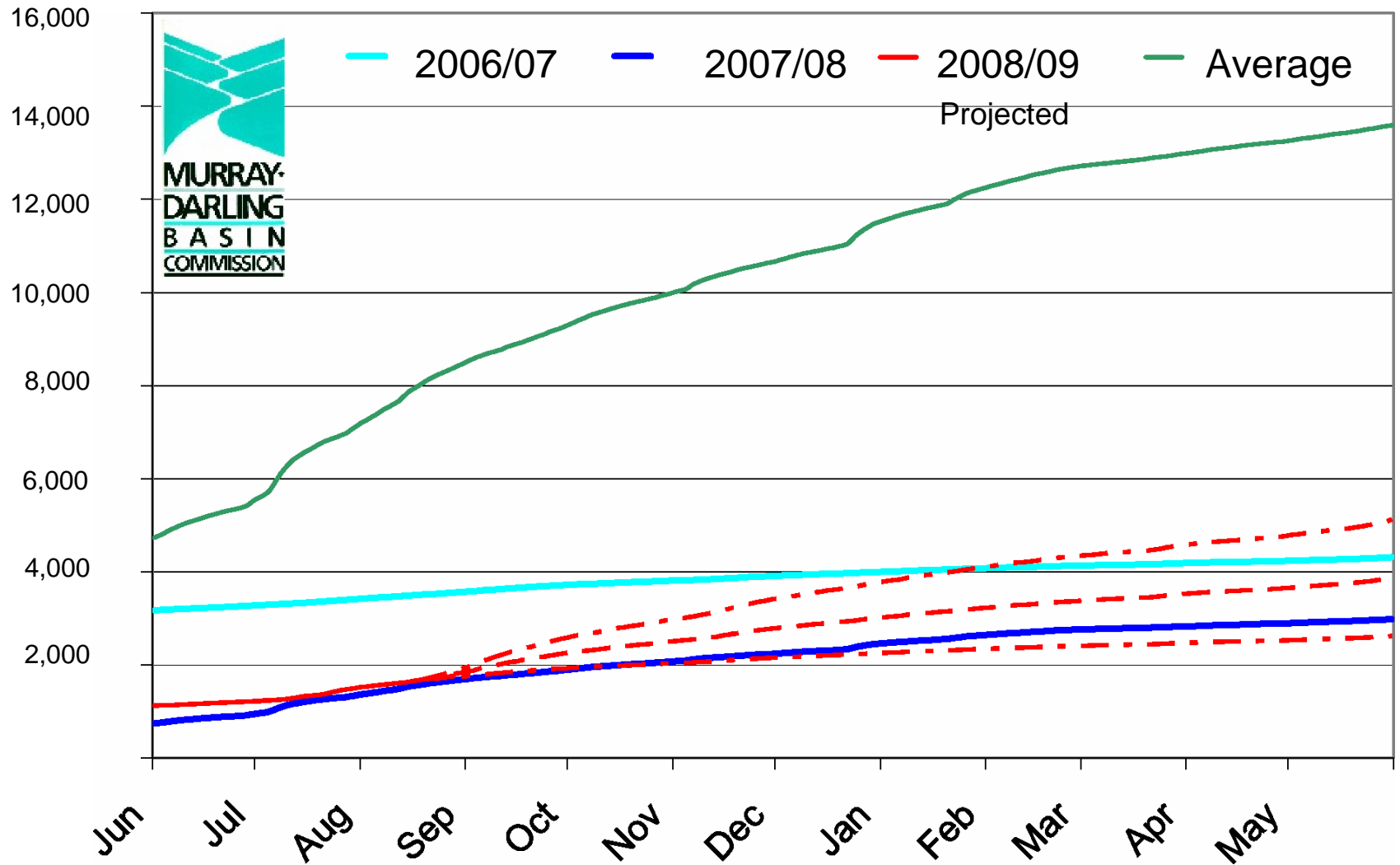


A decade without water over bank

River Murray Active Storage



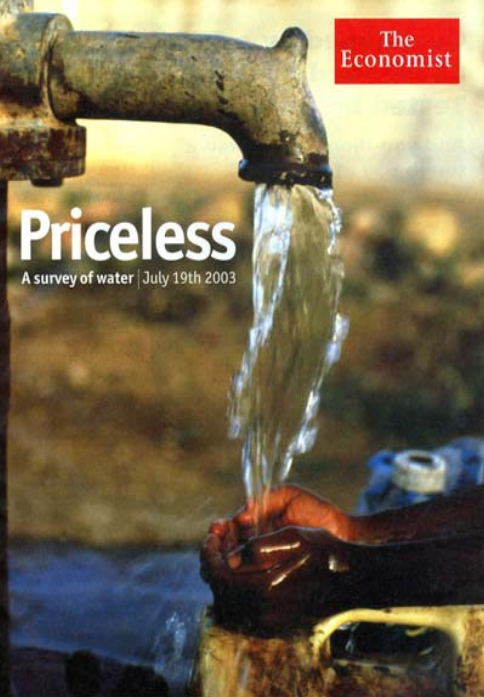
Cumulative System Inflows for selected years



The next challenges

The next challenges

- 1. Backing the Murray Darling Basin Authority**
 - Murray Darling Basin Authority and a new Basin Plan
- 2. Developing a Basin Plan that has climate and accounting integrity**
 - A robust sharing regime
- 3. Securing an environmental share in a timely manner**
 - Combine infrastructure and acquisition money (\$3.1b is not enough)
 - Expedite expenditure
- 4. Reconfiguring the River, its lakes and wetlands**
 - What do we give up? How clever can we be?
- 5. Removing all barriers to trade and rationalising infrastructure investment**



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