

I have seen the Sunday program referred to by Mr McDonald (on behalf of the Murray Valley Water Diverters Advisory Association, sub DR095). Some valid points were made correcting some of the more alarmist claims made in the late 1990s. However, since I have never made or relied on such claims, these points are not relevant to my submission.

On the other hand, while I am not a soil scientist, I have followed the literature for some decades and am very sceptical of the theories promoted on the program by Drs Gourlay and Tunstall. These and other amateur criticisms of established science have been strongly promoted by Dr Jennifer Marohasy of the Institute of Public Affairs, at least where the results support the policy positions she advocates. Having looked at their website they appear to be reviving the discredited Whittington interceptor bank theory and relying on postmodernist notions of 'community science'.

This issue has been discussed at my weblog  
<http://johnquiggin.com/index.php/archives/2006/05/30/gourlay-and-tunstall-on-dryland-salinity/>

Also relevant is this discussion  
<http://forum.crcsalinity.com/forum/viewtopic.php?t=59>

particularly the comments of David Pannell, and the subsequent debate between Pannell and Dr Jennifer Marohasy at her blog. I don't think anyone could accuse Professor Pannell of being an environmental alarmist, but he strongly rejects the scientific claims on which you rely, and Dr Marohasy appears in the end to concede defeat.

On the general point about improvements in salinity levels, it seems strange to use improvements brought about largely by policy interventions (the Salinity and Drainage Strategy and the COAG Water Policy) to attack the same processes and interventions. The authorities such as MDBC who undertook these works continue to say that the underlying trend in salinity is increasing, and, as a non-scientist, I rely on their judgement (and successful track record) in these matters.

On the issues of economic analysis raised by Mr McDonald, my submission recognises concerns about asset stranding arising from sales of water from a district, but I argue that the likely volume of transfers out of irrigation is small in relation to total consumption (a maximum of 6 per cent of current consumption if sales for urban use were allowed and about the same if the current NWI targets for environmental flows were met entirely by purchases). In this respect, inter-catchment transfers within the irrigation sector are more likely to be a concern.

On the issue of regional multipliers, while I respect Dr Powell as an economist, it is generally accepted in the economics profession that his analysis overestimates the impact of regional shocks because it fails to take account of the opportunity cost of resources. In particular, the Productivity Commission has repeatedly rejected arguments of this kind.

More generally, while I am far from being an uncritical supporter of market-based environmental policies, I think the anti-market position advocated by Mr McDonald, and Dr Marohasy is not an appropriate approach to the problems of water management. In particular, I restate the viewpoint set out in my submission (and in the Draft Report) that governments should use purchase of water entitlements as a policy instrument.

Professor John Quiggin