



15 December 2010

Committee Secretary
Senate Standing Committee on Rural Affairs and Transport
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By electronic submission: <https://senate.aph.gov.au/submissions/pages/index.aspx>

Dear Committee Secretary

Inquiry into the management of the Murray–Darling Basin

I am pleased to present this submission to the Inquiry into the Management of the Murray–Darling Basin on behalf of the Hume Regional Development Australia (RDA) Committee. A joint submission has also been made on behalf of this Committee with the Loddon Mallee and Grampians RDA Committees.

Agriculture and Food Production

The Hume Region is a colossal contributor to agriculture and food production in Victoria and Australia. It produces high quality and quantities of horticulture, cereal crops, livestock, vegetables and wine products for a variety of domestic and international markets. Even with a decade of drought conditions, fluctuating commodity prices and global competition pressures, the Region continues to be a major player in food production. The proposed SDLs will threaten Victoria's food production reputation.

Social and economic impacts of changes proposed in the Basin

Given the strong food production of the Hume Region, it is no coincidence that other businesses and industries within the integration chain have flourished. Some areas continue to grow and develop while others have decreased as farmers look to consolidate properties to establish economies of scale as they encounter the effects of globalisation. In the pursuit of economies of scale, while production within an area may remain constant, there is however a reduction in the number of farming enterprises. This structural adjustment has threatened some towns and communities and the proposed SDLs will compound this adjustment process. In considering the proposed MDBA Local Communities Impact report it will be critical that structural adjustment impacts are carefully considered from a policy and place based approach and not a one size fits all ideology.



The creation of employment in primary, secondary and tertiary sectors has also provided some communities with opportunities for continual investment in liveability infrastructure and population growth. The projected rates of growth for these settlements may be threatened as primary, food processing and transport industries are impacted by the SDLs.

The Senate Committee should also note the Hume Region has worked tirelessly in developing a comprehensive regional plan, the *Hume Strategy for Sustainable Communities*. This document articulates the vision and aspirations of the Region. The reduction in water availability as a result of SDLs will make the achievement of the Hume regional vision and the implementation of the regional plan very challenging and threatens the Region's ability to attract investment and balanced population growth.

Means to achieve sustainable diversion limits in a way that recognises production efficiency
Hume communities and governments, who have taken an innovative and pro-active approach to realising productivity efficiencies, should be recognised. The \$2 billion Northern Victoria Irrigation Renewal Project is one of many projects that will provide savings for the environment. Without a targeted approach to water buybacks then previous investments in infrastructure projects has the potential to strand assets.

Also, a clear understanding of the environmental priorities that proposed SDLs will be targeted at will be essential in achieving the best outcomes for the Hume Region.

A region by region approach and strong consultation with key water stakeholders is crucial in the pursuit of SDLs.

Regional Visits

Should the Senate Committee wish to visit the Hume Region, our RDA Committee would be pleased to facilitate a tour.

Senate Committee representatives would be able to view:

- the efficiencies that are being made in the management of water and food production;
- the adaptive capacity of primary producers in adapting to a changing climate;
- the major supply chain industries that have been developed from a strong agricultural base; and
- the resilience and innovative nature of various communities and settlements.

We look forward to working with the Senate Standing Committee on Rural Affairs and Transport on this issue which is of paramount importance to the sustainable development of our Region.

Yours sincerely

Hayley Cail
Chair, Hume Regional Development Australia