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We operate a 550 cow dairy farm in the Kiewa Valley in a share farming arrangement with our father/father-in law. We rely heavily on our 551 mega litre water entitlement out of the Kiewa River, and consider this to be our second biggest asset, after our staff. If we were to lose between 40 – 60 % of our water, then this would have a disastrous effect on our business, resulting in having to put off at least 2 of our current workforce of 6 and being forced to sell approximately 30-40 % of our herd. This would have a major flow on effect to the local dairy factory and businesses that rely on revenue from the farming sector in our region. There is no secret that it is our water entitlement has been a major factor that has enabled us to get through the past 10 years of reduced rainfall, which has meant that we have been able to keep our entire workforce, been able to maintain production and keep our accounts payable up to date.

My grandfather Bob Reid was one of the first to irrigate out of the Kiewa river in the late 1950's, in the mid 1960's the then State Rivers and Water Supply Commission set up the Kiewa River Advisory Committee, an advisory committee to help distribute 1,500 Acre Feet (1.23megalitres = 1 Acre Foot) of Licensed Volume amongst the local farmers. In a fateful decision State Rivers and Water Supply Commission allowed another 1,500 Acre Feet to be allocated to the local farmers also. It was from this early time that the entire irrigation infrastructure was to be entirely funded by the irrigators themselves. Irrigation in the Kiewa Valley should be encouraged to utilise the minimal losses through evaporation and seepage that the catchment benefits from as a result of being in a high rainfall area.

- We have major concerns over the content within the **Guide to the proposed plan – Volume 1**. We are very alarmed at the apparent lack of understanding relating to the potential social and economic impact to our region if the plan is adopted in any of the 3 proposed scenarios.
- The Guide acknowledges the high flows from the Kiewa River system; however it does not address the massive socio-economic impact of the proposed Sustainable Diversion Limits (SDLs). The Authority doesn't recognize the social and economic impact on Primary

Production, dairy manufacturing plants and the wider community by reducing employment opportunities which will affect our schools, sporting clubs and local government's ability to fund our social needs. To put the environment ahead of the social and economic needs in terms of priority only weakens the opportunities available for the environment long term. The environment requires the presence of a robust economy and a strong social system in order to be maintained and improved.

- The Guide also acknowledges the high outflows from the catchment within its tables but fails to recognize the catastrophic impact on the region through the proposals. The large impact would be created due to the proportionally small amount of diversions utilised for irrigation. This would be the only area that reductions can be looked at to meet the proposed SDLs within the Guide. The 4000 GL scenario in the guide states that through a reduction in surface water diversion only, this would bring about a 45% loss of entitlements, given the probability that urban water entitlements wouldn't be available for purchase this figure is more likely to be closer to a 60% reduction in entitlements.
- The North East Catchment is 2% of the MDB area and provides 38% of the total flows, it is our concern that the importance of this pristine flow to the Murray-Darling system is not recognized and therefore not valued accordingly. Our region represents less than 1% of the area of the MDB, but is a massive resource to the basin providing over 98% of its flows to the environment through outflows to the Murray River. Major reductions to entitlements in the Kiewa system is even harder to believe considering that the guide acknowledges the healthy state of the Kiewa system
- The models and/or formulas used by "science" fail to provide an equitable outcome when determining SDLs. To borrow a quote used by former Chairman Michael Taylor at the Albury consultative meeting, it appears "perverse" when you have a healthy river system providing 98% of its flows to the Murray recommended having the highest cut to diversions in the entire basin. Licensed irrigation on the Kiewa system is an incredibly small amount in relation to the amount of water provided to the environment.
- From 2002-2007 five considered reports and guides have been presented for the catchment, it appears none of these have been recognized by the basin authority.
- The Kiewa system is primarily unregulated. Operating on trigger levels and flow rates with reductions in extractions based on river flows firstly, then on individual entitlements. The irrigation water that is not used in the Kiewa Valley is passed on to the environment, as there is no storage capacity dedicated for irrigation carryover.
- Rivers have more to gain by sharing low flows during times of stress than having large volumes of water simply provided to the environment. Targeting SDLs does not address when the water should be provided or how it will be managed.
- The Guide, in its current form, will ensure that any new developments proposed for the Kiewa Valley will be shelved.
- When a reduction of 40% is being targeted in the Kiewa system, there is a very real concern about a "voluntary" buy back. How will water be recovered if there are not enough "willing" sellers?
- Investment in irrigation infrastructure must be the preferred option to secure water for the environment.
- High interceptions due to the natural topography of the region appear not to be taken into account when developing the SDLs. It appears that all the "pain" will be worn by licenced

diversions. The Water security statements made (pages 178,179) within the Guide cannot be accepted and are contradictory to the SDL recommendations when applied to our regions.

- People in the Kiewa valley are very environmentally aware, this can be highlighted by the retention of Remnant River Red Gums on the flood plain where primary producers have been working with the North East Catchment Authorities to also fence the rivers and streams and plant thousands of trees, remove willows, studying and spreading a variety of dung beetles and more to ensure we maintain a high quality of water for our valley communities and the environment. The good quality of the water in the Kiewa River is the result of a large outlay of money and effort by farmers and individuals.
- The Kiewa valley community understands the importance of sustainability in all the water systems but cannot understand how environment systems along the whole Murray System do not have to manage and measure water use efficiencies in the same way farmers and communities are expected to. There needs to be rules that govern and foster a more efficient use of the water that is allocated to the environment, and the environment must pay its way with respect to infrastructure costs. The authority must take early action to scope a program of works and measures to achieve innovative solutions to reduce the volume of water required to achieve environmental benefits/outcomes.
- The Commonwealth Government must review the legislation to ensure all rural stakeholders and communities are recognised and the environment is only one of the future needs of our society.
- Dairy cannot expand from the current levels of production if a reduction in current diversions of 3000-4000GL/year are realised, and it is wrong to suggest such an outcome.
- Buying or obtaining entitlements will not produce any more water in times of drought, therefore attempting to remove irrigators of large portions of their entitlements would only serve to have a massive negative effect on the 40 % of Australian agricultural production that is derived from within the MDB.
- It appears that the environment is the highest or only priority within the guide. The **quantity** of flows through the Murray Mouth shouldn't govern the whole system; the "environment" should be a much more embracing term.
- The Guide concentrates more on end flow outcomes for the Murray Darling Basin (MDB) without consideration for what the catchments are already providing to the overall system.
- The protection of people and communities in the MDB must come before an agreement that Australia has with Ramsar.

Yours faithfully

Jason and Tania Reid

