

Submission No:	555.
Date Received:	31/1/11
Secretary:	SL

To:
The Committee Secretary
The House of Representatives Standing Committee on Regional Australia
PO Box 6021
Parliament House, CANBERRA, ACT 2600

Northern Victorian Irrigators Incorporated.
Chairman, Barry Croke

A Submission to the Parliamentary Inquiry into the impact of the Murray Darling Basin Plan in Regional Australia

This submission is presented by Northern Victorian Irrigators Incorporated. at the invitation of Chairman of the above inquiry, MP Tony Windsor, issued at a meeting in Shepparton on Friday, 21st January, 2011.

*Northern Victorian Irrigators Inc. was formed in 2004 to secure the future of sustainable irrigated agriculture in northern Victoria.
Northern Victorian Irrigators is a member of the National Irrigators Council.
The current Chairman of NVI is Barry Croke, who is also a board member of NIC.*

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1. Adaptations *already* made by Goulburn – Murray Irrigators due to 10+ years of drought, consequent reduced water allocations, and Victorian Government changes to Water Policy

- 1:1 Change of feeding regime from permanent pasture to double cropping and annual pastures.
- 1:2 Automation & rationalisation of irrigated infrastructure
- 1:3 Fast flow Irrigation (On-Farm Efficiency Program)
- 1:4 Strategic rationalisation (NVIRP)

2. Impacts of 10+ years of drought; reduced water allocations; and changes to water policy

- 2:1 Higher risk to farming enterprise
- 2:2 Added complexities previously untapped (Understanding how to mix & feed rations; how to grow different crop & pasture varieties; more intensive feeding infrastructure required)
- 2:3 Increased cost of production
- 2:4 Greatly increased debt load
- 2:5 Increased work load (reduction in ability to hire / pay labour)
- 2:6 Inability to sustain work load (Average age of farmers 55+ years old)
- 2:7 The age of farmers determines their options for the future; they feel trapped & unable to pursue other occupations.
- 2:8 Immeasurable stress
- 2: 9 Increased fatigue
- 2:10 Margins greatly reduced or negative incomes incurred
- 2:11 Loss of value in farms
- 2:12 Pressure from banks to reduce debt
- 2:13 Unable to realize farm land assets; hence fire-sales of water shares
- 2:14 Young people leaving the district due to limited opportunities / options
- 2:15 Communities and organisations within, diminished
- 2:16 Unbundling- Traded water has left this area probably for good, sold to the Government for the environment & to Managed Investment Schemes (most MIS's now defunct with water sold to investors)
- 2: 17 Greatly reduced numbers of stock – current scarcity

3. Concessions already made by Victorian Irrigators to Water for the Environment

- 3:1 There has been a major shift of water from the consumptive pool to water for environmental use in the past 6 years.
- 3:2 Estimates of GI of water already moved to environmental uses include:-
- (a) 80:20 deal on sales water (120),
 - (b) Mokoan and Broken River entitlements (50),
 - (c) Central Goulburn 1, 2, 3 & 4 (30),
 - (d) Futureflow Shepparton (25),
 - (e) Water for Rivers (60),
 - (f) NVIRP Stage 1 (75),
 - (g) NVIRP Stage 2(100),
 - (h) N.Wimmera and Mallee pipeline (75)
- ... **altogether an estimated total of 535 GI.**
- 3:3 Further major losses from the consumptive pool come from Victoria's share of Federal buyback (500) and On-Farm Efficiency (40).
Irrigators are perplexed that apparent commitments totalling around 1075 GI are not factored into MDBA plan projections.
- 3:4 The above estimate of commitments by N.Victorian irrigators must be viewed in the context of long term data on N.Victorian water use (N.Vic.Sus.Water Strategy) which show 2000 GI having been used on farms and 6000 GI annually having been available for environmental purposes.

The above estimates suggest the consumptive pool for irrigation has commitments which will halve water for irrigators. MDBA must engage with irrigators to clearly state how the above volumes will count toward any further reductions in water for irrigation.

4. Impacts of the Proposed Plan

- 4:1 The inability of irrigators to absorb any more reductions in water which exacerbate all the points made in 2 :1-17
- 4:2 Less irrigators paying higher costs to support the irrigation system
- 4:3 Less water = less production = unviability
- 4:4 Reduction of industries in the area.
- 4:5 Reduction of businesses underpinned by irrigated agriculture
- 4:6 Greater health issues = greater cost burden for government
- 4:7 Greater social security costs for government
- 4:8 Added stress of trying to defend our position with regard to proposed SDL's
- 4:9 The uncertainty of proposed plans creates an inability to plan for the future and a lack of investment in the future.

5. PROPOSALS FOR SOLUTIONS TO THE DRAFT TO THE GUIDE PLAN

- 5:1** Change the Water Act 2007 to give equal priority to **people, communities, industry/ the economy** as well as the **environment** in which we all live and need to preserve.
Money spent on the exercise of consultation regarding the draft will be worthless while the Act remains unchanged.
- 5:2** Stop the Government buy-back of water whilst there is **NO PLAN IN PLACE** .
- 5:3** Take into account concessions already made to water savings and stated in 3.
- 5:4** Investigate & employ technology and engineering for solutions to protect **both** our environment and irrigators through “**water savings**” rather than “**water takings**”.
- 5:5** Examine each irrigation district, and make adjustments in accordance with already established industries.
- 5:6** We are a land of **extreme** climatic conditions.
Any proposed changes should not be reactive, but rather take a long-term view of **all considerations in all districts**.
- 5:7** Whilst being cautious and considered, this inquiry and any implementation should be expedited as quickly as possible so that people can make plans and get on with their lives.
- 5:8** Restore irrigators to a position of great importance in producing food for our nation and the world, rather than a species to be eradicated.
- 5:9** Government should be doing all it can to preserve the future for **people, the economy** and the **environment** in ways that treat **all** stakeholders with **dignity**.
- 5:10** Irrigation districts in Northern Victoria were made possible by significant public investment in infrastructure. Future investment of government funds must enhance, rather than detract, from the efficiency and economic competitiveness of these highly developed national resources.
- 5:11** A plan for water use in the MDB must research where water for production purposes is used most effectively, and set incentives to encourage appropriate change. Do we continue to “bloom the desert” or do we encourage irrigation to supplement rainfall?
The answer is obvious now that water is a limited resource.
There is an urgent need for research and programs to bring about orderly adjustment and direction for those wishing to remain in irrigated agriculture.

Northern Victorian Irrigators Inc. thank the House of Representatives Standing Committee on Regional Australia for providing the opportunity to present this submission.