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# SUBMISSION TO THE HOUSE STANDING COMMITTEE ON REGIONAL AUSTRALIA

Impact of the Murray-Darling Basin Plan in Regional Australia

Prepared by

Murray River Group of Councils & Greater Shepparton City Council

December 2010















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Murray River Councils & Greater Shepparton City Council

C/~ Level 2, 377 Lonsdale Street

Melbourne VIC 3000

Ph: (03) 8317 0111

Fax: (03) 9993 6255

20 December 2010

The Secretary
House Standing Committee on Regional Australia

Via Email: ra.reps@aph.gov.au

**Dear Secretary** 

Inquiry into the Impacts of the Murray-Darling Basin Plan in Regional Australia

The Murray River Group of Councils and Greater Shepparton City Council is pleased to deliver this submission to the Inquiry into the Impact of the Murray-Darling Basin Plan in Regional Australia by the House Standing Committee on Regional Australia.

The foundation of the submission was the feedback received from over 500 people at 18 community meetings hosted by the seven councils in the group.

The feedback has been segmented to address the three key areas in the Parliamentary Inquiry Terms of Reference:

- 1. The direct and indirect impact of the Proposed Basin Plan on regional communities.
- 2. Options for water-saving measures or water return on a region-by-region basis with consideration given to an analysis of actual usage versus licence entitlement over the preceding fifteen years.
- 3. The role of governments, the agricultural industry and the research sector in developing and delivering infrastructure and technologies aimed at supporting water efficiency within the Murray Darling Basin

The Group requests an opportunity to present to the Standing Committee on Regional Australia as part of the Inquiry consultative process.

Please contact either of us, if you have any questions or would like more information.

Yours sincerely

Cr Geoff Dobson Mayor GREATER SHEPPARTON CITY COUNCIL Cr Ed Cox Mayor MOIRA SHIRE COUNCIL















#### 1. EXECUTIVE SUMMARY

The Murray River Group of Councils and Greater Shepparton City Council (the Group) are extremely concerned about the impact of the policies arising from the Murray-Darling Basin Plan, as proposed in the Guide.

#### Core issues include:

- The 'Guide to the Murray-Darling Basin Plan' has placed little consideration on the drastic effects proposed cuts to water allocations would have on communities;
- The limited social and economic impact assessments have been based on large scale, unrealistic models, not on small rural communities;
- Water savings already achieved through improved infrastructure, innovation and sustainable farming practices have not been adequately recognised; and
- All of the above have placed additional stress on communities already vulnerable from years of drought.

In view of the Authority's limited consultation at a local level, the Group initiated its own consultation process to ensure that the northern Victorian communities had a voice to express their concerns and share ideas. It focussed on the social and economic impacts on individuals, families and communities. Findings linked to the Inquiry's Terms of Reference include:

- The direct and indirect impact of the Proposed Basin Plan on regional communities:
  - o Farming families forced to make decisions about whether they can continue to farm
  - Rural community decline
  - Significant loss of jobs in rural communities
  - A significant rise in levels of stress and other health impacts
  - Stress caused by water politics
  - Difficulty accessing employment
  - Increased poverty
  - o Inability to afford additional labour
  - A need to source off-farm work
  - Difficulties in accessing income support
  - Limited funds causing difficult decisions such as to how to stretch these across personal and business costs
  - Bankruptcy

- Options for water-saving measures or water return on a region-by-region basis with consideration given to an analysis of actual usage versus licence entitlement over the preceding fifteen years:
  - Currently, buy-back is being implemented in an ad hoc manner that leaves pockets of irrigators spread across a region, rather than by identifying where the most productive land is and focussing the buy-back where water is allocated to less productive land and land use.
  - Water has left the region through water trading and is owned outside the farming community, including by foreign investors.
  - o Recognition must be given to achievement made through water reform already undertaken.
  - The term 'willing seller' is used but is a misnomer; many of the sellers are not 'willing' at all.
     They have been forced to sell due to financial hardship caused by years of drought.
  - Water savings already achieved through improved infrastructure, innovation and sustainable farming practices are recognised as contributing to improved environmental flows and included in the calculation of any sustainable diversion limits.
  - A process that affirms that the 'science' that is used involves State Government departments and Catchment Management Authorities in particular. This should leverage and integrate work completed to date, such as the Northern Victoria Sustainable Water Strategy.
  - Subsidies should be available to farmers for further water saving improvements.
- The role of governments, the agricultural industry and the research sector in developing and delivering infrastructure and technologies aimed at supporting water efficiency within the Murray Darling Basin:
  - The Federal Government to ensure that the emphasis is on planning for infrastructure investment and innovation before buy-back of water allocations.
  - Local government to act as an interface for their community in the development of a balanced Murray-Darling Basin Plan.

#### The Group asks that:

- Social and economic impacts on the community relating to the proposed Sustainable Diversion Limits (SDLs) are clearly identified and included in the proposed draft Murray Darling Basin Plan;
- Water savings already achieved through improved infrastructure, innovation and sustainable farming practices are recognised as contributing to improved environmental flows and included in the calculation of any sustainable diversion limits;

- Innovative infrastructure and practices are used to manage environmental assets and deliver environmental flows, aimed at achieving the required outcomes for the environment with the least amount of water necessary thus minimising the need for the buy-back scheme;
- Government water buyback schemes are strategically planned and conducted so as not to disadvantage remaining farmers. This requires strategic coordination with local government planning schemes, irrigation system investment and water buyback programs;
- The process that affirms that the 'science' that is used involves State Government departments and Catchment Management Authorities in particular. This should leverage and integrate work completed to date, such as the Northern Victoria Sustainable Water Strategy;
- The Parliamentary Inquiry recognises the financial burden that could be placed on local government as a result of the increased social support requirements and the reduced ability to raise revenue; and
- The Parliamentary Inquiry recognises that an investment in a transition plan, aimed at increasing other business activity or alternative farming practices, could reduce the social and economic impact in our regions.

#### In conclusion, the Group:

- Understands that there is a need to improve the environmental flows through the Murray Darling
  Basin; but there has to be fundamental understanding of what this means to families and
  communities. These environments must be considered and given equal weighting when decisions
  are being made about the Basin and its future;
- Sees the role of local councils being of utmost importance in the process to develop a balanced
   Murray-Darling Basin Plan: by acting as an interface with their communities;
- Believes it can work with the Federal Government, in particular Regional Development Committees, to deliver a balanced outcome that will achieve the needed environmental outcomes whilst minimising the social and economic impact on communities;
- Can provide a snapshot of their communities, the issues they are facing and their commitment to sustainable farming and water usage; and
- Requests an opportunity to present to the Standing Committee on Regional Australia as part of the
  consultative process of the Inquiry into the Impact of the Murray-Darling Basin Plan in Regional
  Australia.

## 2. BACKGROUND

The seven Councils in northern Victoria that make up the Murray River Group of Councils and Greater Shepparton City Council are extremely concerned about the impact of the policies within the Murray-Darling Basin Plan, as proposed in the Guide.

Campaspe Shire Council, Gannawarra Shire Council, Greater Shepparton City Council, Loddon Shire Council, Mildura Rural City Council, Moira Shire Council and Swan Hill Rural City Council (to be referred to as the Group) have joined together to ensure that the concerns of individuals and communities are heard and understood by the government, at all levels, and the Murray Darling Basin Authority.

## The aim of the Group is to ensure:

- The seven northern Victorian communities have a united voice through which they can express their concerns;
- Politicians and the Authority know their communities' views about the Guide to the proposed Plan;
- The appropriate research into the social and economic impacts at a local level is undertaken; and
- There is long term planning and resources to manage change and minimise negative impacts on families in these communities.

#### 3. SITUATION ANALYSIS

- 3.1. The Group is critical of the Authority's consultative process used in the preparation of the Guide in general; the consultation with local government occurred at the peak body level, not at the local level.
- 3.2. It is clear the 'Guide to the Murray-Darling Basin Plan' has not considered fully the effects that its cuts to water allocations would have on communities.
- 3.3. The Group understands the need to improve the environmental flows through the Murray Darling Basin; but there has to be fundamental understanding of what this means to families and communities. These environments must be taken into equal consideration when decisions are being made about the Basin and its future.
- 3.4. The Guide is over 220 pages long. It outlines some of the most drastic changes to water allocations, yet only a small fraction of this Guide discusses the social and economic impacts these cuts would have on communities and their livelihoods.
- 3.5. The social and economic impact discussion within the Guide is based on large scale, unrealistic models that bear no resemblance to circumstances in small rural and regional towns.
- 3.6. At the first Authority meeting held in Shepparton, the Chair of the Authority admitted that the figure of 800 job losses contained in the plan was based on a flawed model.
- 3.7. This is especially disappointing as Councils within the Group contributed local information to researchers commissioned by the Authority to investigate the potential socio-economic impacts within the Goulburn-Murray Irrigation District.
- 3.8. Councils expected to see acknowledgement and consideration of these known and likely impacts, and the flow-on effects, on their communities within the Guide.
- 3.9. No rational decisions about cuts to water allocations can possibly be made without this critical information.
- 3.10. The study into the social and economic impacts of the proposed Basin Plan on local communities commissioned after the release of the Guide should have occurred before the development of the Guide and included as part of the consultation.
- 3.11. This profound lack of understanding and disregard of the social and economic impacts has caused angst and outrage within communities and broken faith in the process that will need to be reestablished.
- 3.12. The Plan must adopt a balance between the social, economic and environmental requirements.
- 3.13. The Authority asked communities to 'challenge the science' behind the SDLs outlined in the Guide.

  This is unrealistic. Few within any community would have the technical knowledge and experience to

understand the complex calculations and issues under consideration. The Federal Government must ensure there is a rigorous process through which the 'science' behind the development of revised sustainable diversion limits (SDLs) may be affirmed and understood by community members.

3.14. Communities are looking for a process and information they can understand and trust.

## 4. TAKING ACTION

In recognition of the lack of consideration for local social and economic issues and concerns, the Group initiated their own consultation process with 18 community meetings (Appendix 1) attended by more than 500 community members. The purpose of these meetings was twofold:

- 1. To gather feedback from local communities and individuals to understand their issues and concerns and to provide them with a voice; and
- 2. To provide a body of research to Government and the Authority that clearly demonstrates the local impact the proposed Sustainable Diversion Limits (SDLs) will have on communities.

In addition the Group has taken the opportunity to share its findings through:

- Discussions with a number of Federal Government Ministers and Members of Parliament;
- Discussions with representatives of the Riverina and Murray Regional Organisation of Councils (RAMROC) and the Murray Darling Association;
- A meeting of Councils within the Murray-Darling Basin to discuss the impacts of the Plan with other like-minded and concerned Councils across the whole Basin;
- A Declaration of Concern, supported by more than 50 Councils within the Basin, presented to Members of Parliament from the key parties and the independents (Appendix 2);
- An awareness campaign through both local and metropolitan media; and
- A submission to the Murray-Darling Basin Authority which included community feedback, case studies and a copy of the Declaration of Concern.

## 5. WHAT OUR COMMUNITY SAID

Community members had a number of ways in which to share their concerns and ideas. These included:

- Community meetings;
- Feedback sheets; and
- Case studies.

Collation and analysis of the information provided has lead to the following summary to address the key Terms of Reference.

#### 5.1. The direct and indirect impact of the Proposed Basin Plan on regional communities.

Information from community meetings has been grouped to highlight the main concerns under the key themes of social and economic impact.

## 5.1.1. Social impacts

- Concern that environmental issues have been placed in front of people.
- The importance of understanding the social and economic impacts at the local township level.
- Recognition that small towns and communities are already experiencing severe hardship due to years of drought. Concerns include:
  - Loss of community members;
  - Loss of businesses;
  - The flow-on effect to schools, hospitals and other services;
  - Declining numbers for volunteer groups, sporting and community clubs; and
  - o Increased numbers of suicide, marriage breakdowns and mental health problems.
- Concern for people who have had to give up farming, go off-farm to work to supplement their income or have delayed retirement.

#### 5.1. 2. Economic impacts

- The uncertainty the proposed plan is having on potential investment opportunities and the impact of any delays for farms, businesses and communities.
- Concerns about the impact on the fixed charge for delivery of water i.e. fewer people to pay for the maintenance of infrastructure.
- Concerns about the impact on food production within Australia and the need to continue a thriving local industry.
- Concerns that food imported from overseas may not be of the same quality or grown under bestpractice conditions and be prepared with less regard to the environment.

Participants at community meetings were provided with the opportunity to provide additional information and comment regarding how the proposed sustainable diversion limits would impact on them personally. Each respondent was asked three questions aimed at gaining greater understanding of their circumstances. The top six responses, in numerical order starting with the greatest response are provided for each question below.

- 5.1.3. What description best suits your circumstances (area of employment/expertise)?
  - Agriculture and farming
  - Community interests
  - Business and commercial
  - Environment and conservation
  - Work in the home
  - Financial and legal
- 5.1.4. What are the most likely social impacts to you, your family and your community if the SDLs outlined in the Guide to the Murray-Darling Basin Plan are implemented?
  - Farming families forced to make decisions about whether they can continue to farm
  - Rural community decline
  - Significant loss of jobs in rural communities
  - A significant rise in levels of stress and other health impacts
  - Stress caused by water politics
  - Difficulty accessing employment
- 5.1.5. If the proposed SDLs are implemented, what economic impacts are likely to apply to you?
  - Increased poverty
  - Inability to afford additional labour
  - A need to source off-farm work
  - Difficulties in accessing income support
  - Limited funds causing difficult decisions such as to how to stretch these across personal and business costs
  - Bankruptcy

Many people attending the community meetings provided a case study. Accountants, farmers, teachers and many more told about how they expect their lives to change. They see that the water cuts will not only affect one or two sectors of their local economy; they will affect the viability of the entire community. The personal accounts of over 35 people who will be directly affected by the Plan are listed in Appendix 3.

A few case studies have been selected to highlight the feedback provided throughout this section of the submission.

**Business:** Mixed farming

Town: Kerang

Years in business: 56

We farm in partnership with our daughter and son-in-law. During the period of low water allocation our operation slipped from a profit of \$120,000 a year to an operation making an \$80,000 loss. If water was to be taken away on a permanent basis we could not continue to farm as we have been. **There needs to be a study done on how or what farmers could grow profitably on a lower water allocation.** There is no solution being offered for the future.

Highlights the need for opportunities for economic growth and diversification within regional communities

**Business:** Accounting

Town: Shepparton

Years in business: 113

Tom Chick from Stubbs Wallace owns an accounting practice in Shepparton which has been established for 113 years. Up until 10 years ago, an estimated 30 per cent of their business was derived from direct farm income and an estimated 30 per cent from indirect farm income. Over the past 10 years this has now reduces to about 25 per cent of their income derived from direct and indirect farm sector.

Their business is witnessing first hand, the flow-on effects of reduced farm business numbers and they are concerned about the flow-on effect of any further reduction in water availability for irrigation.

While their business has retained many of their former farming clients however the financial spend for these clients has reduced considerably as they move off farm. In most cases their needs are much less and fees have reduced from in excess of \$8,000 per client to less than \$2,000 per client.

Several of their clients' farms have been sold to Sydney business investors and are now vacant farms.

Tom describes the impact of selling water off-farm as a huge loss for communities. "Communities lose their social fabric as a result of this loss of water," he said.

"There is a real interdependence between the farm business and the broader community but there seems to be no thought to the impact on farm employees and the range of agricultural service businesses including accountants such as ourselves.

"Any talk of compensation does not take into account the loss of future production of the farm or the flowon effect to the region's economy and this needs to be considered," he said.

Stubbs Wallace has reduced from a staff of 30 in 2000 to a staff of 25 in 2010. As the owners approach retirement age, they are reviewing their business strategy and have real concerns about the impact that reduced water will have upon the value of their business.

**Business:** Education

Town: Pyramid Hill

Due to the prolonged drought in North Central Victoria we have seen a rapid decline in student numbers – at the end of 2007 the college lost nearly one third of its total population. Reductions in water allocation by the introduction of sustainable diversion limits (SDLs) will most definitely compound the problem of

declining student enrolments.

**Business:** Farming

Town: Nathalia

Years in business: 25

My farm and water are my super fund or retirement and has taken 25 years to get it. And to have a part of this taken away for the environment needs instead of growing food in the Murray Goulburn Valley regions is so wrong. It must be better getting food from our regions than getting it from overseas. Our farms are going to devalue. All of our small town shops will be shutting and devalue of housing, etc. School numbers will be affected. If you want the water pay \$6,000 a meg as it should be. PS All farmers are environmentalists

**Business:** Transport

Town: Cohuna

Years in business: 36

I am 61. My wife and I have worked hard together to build up our business over 36 years. Our small transport business, now runs with the help of our son, was a flourishing business employing 15, turning over an annual gross turnover of \$2 million. In March this year the Murray Goulburn Factory closed due to the lack of milk and the drought. We lost 54% of our work overnight. Seven people lost their jobs. If we lose 34% of water out of this area, that will be the end of our business - another seven families with no job and therefore no incomes coming back into the town.

Business: Community member/member of the Sunraysia Irrigators Council

Town: Merbein

Small business in Merbein, already impact is felt. Drop off in business has been dramatic since water allocation/exit grants have been part of our district. Lack of confidence in the future - people not outlaying/taking the plunge in purchasing real estate or business. Major businesses are still able to attract funding/mortgage. Smaller businesses involved in irrigation – no from banks.

Need to assist with overall commodity prices and imports - government is killing our great/clean/green industries through lack of foresight and marketing our country people.

Small dried fruit properties are worthless – they're only housing blocks.

Water should never have been separated from land and all governments are at fault in not being prepared for increase of needs.

**Business:** Dairy farming

**Town:** Kyvalley

Years in business: 40 years plus

We were dairy farming at Kyvalley for over 40 years on 65 acres now not classified as a viable farm. When the drought first hit in 2000 we only had 53% water right and had to dry our cows off in December. We had no farm income until the following September-October but the bills still had to be paid. We only survived by an interest free load from Nestle to buy hay, a government allowance and some off farm work. If the suggested cuts take place we won't even have water to put on our Weeties. It will possibly lead to an increase in suicide as people will struggle to make ends meet as we struggle to feed what people we have now.

5.2. Options for water-saving measures or water return on a region-by-region basis with consideration given to an analysis of actual usage versus licence entitlement over the preceding fifteen years.

Information from community meetings has been grouped under key themes of water trading and water savings.

#### 5.2.1. Water trading

- Currently, buy-back is being implemented in an ad hoc manner that leaves pockets of irrigators spread across a region, rather than by identifying where the most productive land is and focussing the buy-back where water is allocated to less productive land and land use.
- Water has left the region through water trading and is owned outside the farming community, including by foreign investors.
- Recognition must be given to achievement made through water reform already undertaken.
- The term 'willing seller' is used but is a misnomer; many of the sellers are not 'willing' at all. They have been forced to sell due to financial hardship caused by years of drought.

## 5.2.2. Water savings

- Water savings already achieved through improved infrastructure, innovation and sustainable farming practices are recognised as contributing to improved environmental flows and included in the calculation of any sustainable diversion limits.
- A process that affirms that the 'science' that is used involves State Government departments and Catchment Management Authorities in particular. This should leverage and integrate work completed to date, such as the Northern Victoria Sustainable Water Strategy.

Subsidies should be available to farmers for further water saving improvements.

Two case studies have been selected to highlight the feedback provided throughout this section of the

submission.

**Business:** Vineyard

Town: Vinifera

Years in business: 45 years

We have been building up our vineyard at Vinifera for the past 45 years. We are supplied water by Murray-

Goulburn Water in the Nyah Pump District. Our concern is if water was to be sold out of the district it will

eventually come unviable and irrigators remaining who want to continue with their farming interests will be

left HIGH and DRY.

Previous relevant reform and structural adjustment programs and the impact on communities (Negative perception of

the current buyback scheme)

Town: Cohuna

The uncertainty and confusion which could continue for another 12-15 months, is affecting every business

decision. Victoria, which has the most stable and secure allocation system of any of the MDB states, has

already contributed 20% of our low reliability water and allowed the commonwealth to purchase high

security water and there should be absolutely no further reductions in Victoria's water allocation.

Previous relevant reform and structural adjustment programs and the impact on communities (Concern previous

positive reforms will not be recognised)

5.3. The role of governments, the agricultural industry and the research sector in developing and

delivering infrastructure and technologies aimed at supporting water efficiency within the Murray Darling

**Basin** 

Information from community meetings has been grouped under key theme of planning.

5.3.1. Planning

· Federal Government to ensure the emphasis is on planning for infrastructure investment and

innovation before buy-back of water allocations.

Local government to act as a critical interface to their community in the development of a balanced

Murray-Darling Basin Plan.

#### 6. OUR ASK

The Murray River Group of Councils and Greater Shepparton City Council asks that:

- The Federal Government supports Local Government and communities to provide sufficient and authoritative information on the economic and social impact of the Plan;
- Social and economic impacts on the community arising from the proposed SDLs are clearly identified and considered in the proposed Murray Darling Basin Plan;
- Water savings already achieved through improved infrastructure, innovation and sustainable farming practices are recognised as contributing to improved environmental flows as part of any calculation of any sustainable diversion limits;
- The Federal Government ensures the Authority does not rush an outcome to the Basin Plan that is not balanced, when many people across the Basin are challenging the 'science' and the modelling processes used as the basis for the Basin Plan;
- A process that affirms that the 'science' that is used involves State Government departments and Catchment Management Authorities in particular. This should leverage and integrate work completed to date, such as the Northern Victoria Sustainable Water Strategy;
- Information about technical aspects such as the 'science' behind SDLs is provided in a way that communities can understand and trust.
- Innovative infrastructure and practices are used to manage environmental assets and deliver environmental flows, aimed at achieving the required outcomes for the environment with the least amount of water necessary thus minimising the need for the buy-back scheme;
- Water buyback schemes, if required, are strategically planned and conducted so as not to disadvantage remaining farmers. This requires strategic coordination with local government planning schemes, irrigation system investment and water buyback programs;
- There is an investigation into the ecological benefits now evident from the recent good rains;
- The Parliamentary Inquiry recognises the financial burden that could be placed on local government as a result of the increased social support requirements and the reduced ability to raise revenue; and
- The Parliamentary Inquiry recognises that an investment in a transition plan, aimed at increasing other business activity or alternative farming practices, could reduce the social and economic impact in our regions.

## 7. CONCLUSION

### The Group:

- Understands that there is a need to improve the environmental flows through the Murray Darling
  Basin; but there has to be fundamental understanding of what this means to families and
  communities. These environments must be considered and given equal weighting when decisions
  are being made about the Basin and its future;
- Sees the role of local councils being of utmost importance in the process to develop a balanced
   Murray-Darling Basin Plan: by acting as an interface with their communities;
- Believes it can work with the Federal Government, in particular Regional Development Committees, to deliver a balanced outcome that will achieve the needed environmental outcomes whilst minimising the social and economic impact on communities;
- Can provide a snapshot of their communities, the issues they are facing and their commitment to sustainable farming and water usage; and
- Requests an opportunity to present to the Standing Committee on Regional Australia as part of the
  consultative process of the Inquiry into the Impact of the Murray-Darling Basin Plan in Regional
  Australia.

## 8. APPENDICES

NUMBER	DESCRIPTION
1	List of Community Meetings
2	Declaration of Concern
3	Case Studies

## **APPENDIX 1 LIST OF COMMUNITY MEETINGS**

#### Monday 18 October, Shire of Campaspe

10.00am -12.00 noon at the Lockington Community Centre, Lockington

#### • Monday 18 October, Greater Shepparton City Council

7.00pm -9.00pm at the Westside Performing Arts Centre, Echuca Road, Mooroopna

#### • Wednesday 20 October, Greater Shepparton City Council

10.00am – 12 noon at the GO TAFE Lecture Theatre, Fryers Street, Shepparton

## • Wednesday 20 October, Shire of Campaspe

7.00pm – 9.00pm at the Kyabram Plaza Theatre, Allan Street, Kyabram

#### • Monday 25 October, Gannawarra Shire Council

7.00pm – 9.00pm at the Cohuna Memorial Hall, Cr King Edward & Market Street, Cohuna

#### Monday 25 October, Shire of Campaspe

7.00pm – 9.00pm at the Echuca Workers & Services Club Annesley Street, Echuca

## • Tuesday 26 October, Gannawarra Shire Council

7.00pm – 9.00pm at the Kerang Memorial Hall, Wellington Street, Kerang

#### • Tuesday 26 October, Shire of Campaspe

10.00am – 12.00 noon at the Rochester Sports Club, Northern Highway, Rochester

#### Wednesday 27 October, Greater Shepparton City Council

7.00pm - 9.00pm at the Katandra Community Centre, Hickey Road, Katandra

#### • Thursday 28 October, Greater Shepparton City Council

7.00pm - 9.00pm at the Ballantyne Centre, 9 Hastie Street, Tatura

## • Tuesday 9 November, Moira Shire Council

7.00pm at the Yarrawonga Community Hall, Orr Street, Yarrawonga

#### • Wednesday 10 November, Swan Hill Rural City Council

5.30pm at the Robinvale Community Centre, McLennan Drive, Robinvale

#### • Thursday 11 November, Loddon Shire Council

12.00noon – 2.30pm at the Pyramid Hill Hall, Kelly Street, Pyramid Hill

#### • Thursday 11 November, Swan Hill Rural City Council

7.00pm at the Swan Hill Town Hall, McCallum Street, Swan Hill

## • Thursday 11 November, Moira Shire Council

7.00pm at the Nathalia Sports and Community Centre (Dancocks Room), Robertson Street, Nathalia

## Monday 15 November, Campaspe Shire Council and Murray Council

7.00pm at the Moama Bowling Club, 6 Shaw Street, Moama

- Tuesday 16 November, Mildura Rural City Council
   7.00pm at the Mildura Grand Hotel Ball Room, 7th Street, Mildura
- Wednesday 17 November, Mildura Rural City Council 7.00pm at the Mildura Grand Hotel Ball Room, 7th Street, Mildura

#### APPENDIX 2 DECLARATION OF CONCERN

## **Declaration of Concern**

On this day 22 November 2010, we, the undersigned Councils, strongly urge the Federal Government to adopt a balanced approach to the development of the Murray-Darling Basin Plan. We ask that the same consideration being given to the environment is applied to the social and economic impacts that any proposed changes would have on our families and communities, as these are equally important environments that need to be protected.

To this end, we are calling on the Federal Government to ensure that:

- Social and economic impacts on the community arising from the proposed Sustainable Diversion Limits (SDLs) are clearly identified and included in the proposed Murray Darling Basin Plan;
- Innovative infrastructure and practices are used to manage and deliver environmental flows, aimed at achieving the required outcomes for the environment with the least amount of water necessary;
- The science behind the calculation of SDLs is reviewed, thereby providing confidence for our communities;
- Water savings already achieved through improved infrastructure, innovation and sustainable farming practices are recognised as contributing to improved environmental flows before calculation of any SDLs; and
- Water buyback schemes are strategically planned and conducted so as not to disadvantage remaining farmers and communities.

We are looking for the Federal Government to acknowledge the impact that the implementation of the Plan will have on different communities and to guarantee that support will be provided; importantly, this support is not just through water buybacks, but also to assist in managing the change and minimising negative impacts on families and businesses. Financial support will be required to:

- Strengthen support services that will be required to address the increased distress likely to be experienced by the community;
- Assist farmers with improving irrigation infrastructure and adopting more sustainable farming practices; and
- Assist in developing alternative business ventures and related training that will lead to a diversified economy in our communities.

We are looking for the Federal Government to make these commitments to demonstrate that it will make every effort to avoid negative impacts; facilitate a smooth transition; and protect the family and community environments.

This Declaration is supported by the following Councils in the Murray-Darling Basin:

Albury City Council



**Balranald Shire Council** 



**Ballonne Shire Council** 



Berrigan Shire Council



Broken Hill City Council



Blackall Tambo Regional Council



Boorowa Council



**Bourke Shire Council** 



Campaspe Shire Council



Carrathool Shire Council



City of Greater Bendigo



**Cobar Shire Council** 



Conargo Shire Council



Corowa Shire Council



Cootamundra Shire Council



Council of the Shire of Wakool



Deniliquin Council



District Council of Loxton Waikerie



**Dubbo Shire Council** 



Gilgandra Shire Council



Gannawarra Shire Council



Goldenfields Water County Council



Goulburn Mulwaree Council



City of Greater Bendigo



Greater Hume Shire Council



**Greater Shepparton City Council** 



**Griffith City Council** 



Gunnedah Shire Council



Hay Shire Council



Jerilderie Shire Council



Lachlan Shire Council



Loddon Shire Council



Liverpool Plains Shire



Mid-Western Regional Council



Mildura Rural City Council



Moira Shire Council



**Murray Darling Association** 



Murray Shire Council



Murrumbidgee Shire Council



Narrandera Shire Council



Narrabri Shire Council



Renmark Paringa Council



Riverina Water County Council



Rural City of Wangaratta



Swan Hill Rural City Council



Temora Shire Council



Tamworth Regional Council



Toowoomba Regional Counc



**Towong Shire Council** 



**Urana Shire Council** 



Wentworth Shire Council



Western Downs Regional Council



Wodonga City Council





Young Shire Council



Yass Valley Council



APPENDIX 3 CASE STUDIES

Many people attending the community meetings had a story to tell. They are presented in the words of the

community members sharing their situation or opinions.

**SWAN HILL RURAL CITY COUNCIL** 

**Business:** Vineyard

Town: Vinifera

Years in business: 45 years

We have been building up our vineyard at Vinifera for the past 45 years. We are supplied water by Murray-

Goulburn Water in the Nyah Pump District. Our concern is if water was to be sold out of the district it will

eventually become unviable and irrigators remaining who want to continue with their farming interests will

be left HIGH and DRY.

Town: Robinvale

Even though I'm not an irrigator, as someone who is an active community member I know that economic

pressure on irrigators translates to economic and social hardships for our whole community.

**Business:** Farming

Town: Euston

I have seen over the years how irrigators are the most water friendly race in the world as they have spent

hard earnt money to change from flood irrigation to sprinklers to drips so as to save as much water as

possible. And then they were forced (I mean forced) to spend a lot of hard earnt money on extra water just

to survive on the farm. Now they want to take it all away from them, just like that. How is a farmer supposed

to survive mentally and financially because of stupid bureaucrats who don't even know how it all affects the

irrigators, community and importantly the families?

**Town:** Tyntynder South

My story starts with watching my neighbours sell off water to pay the bills mainly because water has become

too expensive to grow viable crops. Also these properties have now been neglected to the extreme, e.g. box

thorns with notorious weeds allowed to grow because the owners now work off farm if they are lucky

enough to get a job. Myself, I have stopped planning my future because of the uncertainty. The town of

Swan Hill is already slowly dying. Some businesses tell me that farmers don't spend the money because they

don't have it. This whole area in 50 years will become a dust bowl. And the towns will die e.g. fewer farmers,

less infrastructure, less everything. It will take a while but it will happen eventually. There is no such thing as

self sustainability in the bush unless there is a production of food.

Farmers have been the best managers of this environment. In the past all farmers look after the

environment. If the government takes the water for the environment they will then take it to the cities

(believe me).

My best advice is to co-exist, farming, irrigation and environment. Someone needs to read Peter Andrew's

book (Back from the Brink), he has the knowledge to coexist. If natural weirs (vegetation wetlands) were

utilised the Murray Darling Basin would be healthy and there be still plenty of good water.

Green House Gases – They say plant more trees! True but they take too long to grow.

Any type of vegetation does the job. Pasture, crops, orchards, vines all use up more carbon than forests.

More vegetation the cooler the district – it's called transportation - moisture moving through plants into the

air. Our agriculture and horticulture is already a large rainforest. A good lawn uses up more carbon than 3

large native trees.

I am no environmental scientist just common bloody sense. "Pollution- get real"

MILDURA RURAL CITY COUNCIL

Business: Community member/member of the Sunraysia Irrigators Council

Town: Merbein

Small business in Merbein, already impact is felt. Drop off in business has been dramatic since water

allocation/exit grants have been part of our district. Lack of confidence in the future - people not

outlaying/taking the plunge in purchasing real estate or business. Major businesses are still able to attract

funding/mortgage. Smaller businesses involved in irrigation - no from banks. Need to assist with overall

commodity prices and imports - government is killing our great/clean/green industries through lack of

foresight and marketing our country people.

Small dried fruit properties are worthless - they're only housing blocks. Water should never have been

separated from land and all governments are at fault in not being prepared for increase of needs.

Business: Citrus grower before MP, Agri political representative/office bearer on VFF, Australian Citrus

Growers, Sunraysia Citrus Growers, Local Government Councillor.

Achieving a better plan for basin communities will only be achieved if everyone works together over the next

year. It will be vital that different communities within the basin do not fight amongst themselves. We can't

fall into the trap of blaming others. Some areas that deserve consideration are:

- An audit of all environment water held by state, private and other players at this stage this water is not in the Basin Plan.
- Examination of the savings from the \$5.8bn infrastructure fund.
- Examination of environmental water use efficiency. Farmers have become very efficient with water
  use; the environment is yet to go down the path of water efficiency. Mallee CMA has done some
  good work using infrastructure to improve water efficiency and need to be evaluated. This
  evaluation will take time, however small results can be useful in building a new model.
- I believe the environment needs could be met by balancing the risk between environment and science at a lower level than 3000GL. Currently the government has approximately 700GL (720GL), in state water purchases.
  - \$5.8bn for water savings
  - Environmental water

This should get us very close to what is required without buying or taking back any productive water.

## Years in business: 26 years

The guide to the plan indicates that it will be the individual state's responsibility to distribute/manage environmental flows. However except for very small volumes given to localised sites the states have shown limited ability to deliver environmental water to wetlands in need.

The precautionary principle should be applied so that water is not bought back until the states can clearly and forcibly identify how they will deliver their environmental water to their wetlands in a practical and effective manner.

I believe the rivers and MDB are over allocated. This was done by government. The fact is there is climate change that must be factored into all long term extraction limits.

The government has gone about this entire process back to front and therefore it has not been approached in a logical manner which is what is proving to be upsetting to irrigators and other affected parties. I have been opposed to the North South pipeline taking 75GL from a degraded heritage listed river called the Goulburn, a major tributary to the Murray River. It is totally unfair, illogical taking water out of the system (MDB) which is already degraded and over allocated!!

The irrigation systems need to be upgraded and made more efficient. Government has failed to keep up with infrastructure upgrades, always quoting that they hadn't been upgraded in 11 years.

Irrigators are being targeted unfairly.

What about diversion to Melbourne, Ballarat, Adelaide etc. Cities not in the Basin. Should they not be required to disconnect from the system because they do have other options that they are implementing or have failed to implement (see NWI requirements).

Until the Victorian Water Act is tightened and the Minister is held accountable and his "extensive" discretion

when requalifying water and allowing bulk entitlements and taking environmental flows.

What about the mining boom? Forestry boom? Industry boom? There needs to be a balance both in how

water is returned to the environment as well as the social and economic impacts on the communities IN the

basin.

Errors such as on page 15 of the Guide indicate Adelaide being the largest population - they forgot

Melbourne 4 million plus and Ballarat. So what other errors are there?

**LODDON SHIRE COUNCIL** 

**Business:** Farming

Town: Boort

It's the Nelson Farms' enterprise which is now being managed by the fourth and fifth generation of Nelsons

which commenced with a small irrigation farm north of Boort by John's grandfather.

It is the importance of irrigation and farm management that has encouraged the farming enterprise to grow

and allow fourth and fifth generations to farm successfully.

The irrigation home farm compound is the base to enable the growth of the farming business making it a

viable enterprise supporting young people, the community and local businesses.

Town: Boort

Not enough emphasis has been put on the environmental value of the family farm. Every irrigation farm has

several ducks, hatching eggs. The ibis come in there eating in front of the watering ... Frog's and wildlife in

abundance. They come and go.

Having the right environment is no value if there are no people left.

Town: Boort

Water is the livelihood of the northern part of the Loddon Shire and is linked to the number of people living

and working in this area. Any loss of water will see population decline of water and develop industries

around irrigation. There is a great opportunity to build population and services linked to irrigation as food

produces currently around major cities are forced out by population spread.

Town: Boort

Two years ago I attended a Suicide Intervention counsel to try and learn how to handle and help people with

various problems. Since this has been made known to the public we have received 78 phone calls with

people in distress. I have helped 3 people by visiting them and listening to their concerns. Making them

promise to contact me at 7am in the morning making sure that nothing silly has crossed their minds. The

MDB if continues with up to 4% water levy the area will have a massive continuance of suicide.

**Business:** Education

Town: Pyramid Hill

Due to the prolonged drought in North Central Victoria we have seen a rapid decline in student numbers – at

the end of 2007 the college lost nearly one third of its total population. Reductions in water allocation by the

introduction of sustainable diversion limits (SDLs) will most definitely compound the problem of declining

student enrolments.

**MOIRA SHIRE COUNCIL** 

**Business:** Farming

Town: Nathalia

Years in business: 25

My farm and water are my super fund or retirement and has taken 25 years to get it. And to have a part of

this taken away for the environment needs instead of growing food in the Murray Goulburn Valley regions is

so wrong. It must be better getting food from our regions than getting it from overseas. Our farms are going

to devalue. All of our small town shops will be shutting and devalue of housing, etc. School numbers will be

affected. If you want the water pay \$6,000 a meg as it should be. PS All farmers are environmentalists

**GANNAWARRA SHIRE COUNCIL** 

**Business:** Farmer

Town: Cohuna

I am a 69 year old widow, farming with my son and daughter-in-law. The last eight years particularly have

been harsh. I lost my husband in 2002 and that was the first year we had to let about a third of permanent

pasture die. That trend continued to increase over the last two years when everything was let go. We realise

environment is important and at great expense have installed tanks to collect any water used at the dairy to

reuse in washing the yard before going into effluent ponds. This water can be diluted and reused on

irrigation paddocks. We do not feel we can make many more improvements. We survived the drought at

great cost by purchasing all sileage and hay and dairy pellets. This also involved labour intensive work of

feeding twice a day, year round. Machinery and upkeep of the farm has had to be kept to an absolute

minimum and farm debt has skyrocketed.

Do the people involved in the Murray Darling Basin Plan believe that because we survived this drought, we

can continue on this low level of water?

Do politicians still want us to supply food to people of Australia?

Do they realise how much employment we provide for others such as milk factory employees, farm planners,

Goulburn Murray employees, export workers, dairies, local business people, irrigation suppliers, farm

machinery dealers, environmentalists etc.

We were encouraged to plant trees on our farm but with limited water found it hard to keep them growing.

Are they not as important to water as all the parks and forests?

Do they really think there are many "willing sellers" of water or are they farmers whose hand has been

forced by either banks or bankruptcy.

The stress and pressure on us who have remained has been enormous and it has not been helped by the

uncertainty and anxiety the Murray Darling Basin Plan as added on to us.

**Business:** Transport

Town: Cohuna

Years in business: 36

I am 61. My wife and I have worked hard together to build up our business over 36 years. Our small

transport business, now runs with the help of our son, was a flourishing business employing 15, turning over

an annual gross turnover of \$2 million. In March this year the Murray Goulburn Factory closed due to the

lack of milk and the drought. We lost 54% of our work overnight. Seven people lost their jobs. If we lose 34%

of water out of this area, that will be the end of our business - another seven families with no jobs and

therefore no incomes coming back into the town.

Town: Cohuna

Is Brumby going to lose the same percentage of water through his pipeline as the farmers are going to lose?

We don't know how many farmers have left the industry due to drought, but this info could be obtained

from Murray Goulburn and we anticipate that whatever percentage we are going to lose in water - the same

percentage will also apply to farmers that will leave the industry i.e. 35% loss of remaining farmers.

The amount of water that has been bought up by the government plus the water savings that they have

spent billions on, surely that would be enough for the environment!

We think that the people that have come up with the percentage of water to go the environment were

selected by the government to bring in the answer that they want! To my knowledge - not 1 of the people

doing this survey have ever lived in the Murray Darling Basin! I don't know of anybody being approached in

this district as to their view of the MDB. How many more livelihoods are going to be ruined by the decision of

a handful of people! We have already lost our son in the prime of his life through suicide this year (1-5-

2010), how many more? One is too many!

We also think that the people who make these decisions must have had half a Viagra tablet before they

started and they all went off "half cocked".

**Business:** Cohuna Golf Club

Town: Cohuna

I am Treasurer of the Cohuna Golf Club. Due to the water restrictions of the drought our club reduced its

cash resources from \$110,000 to \$40,000 to purchase sufficient water to keep the course alive. If we are

forced to purchase water on the market every year the Club cannot survive. We employ two fulltime

employees who will lose their jobs, our members will lose their sporing facility and the district will lose a

significant tourism facility.

Town: Cohuna

I have been through a similar process (V.E.A.C). I have and continue to experience the social impacts

described although I probably didn't appreciate the extent of those impacts until now. Although I am a non

irrigator, I feel threatened by this process given the predictable outcomes of reduced water allocations on an

irrigation dependent community. Challenge the decision makers to consider all options before crippling

these communities.

Town: Cohuna

The uncertainty and confusion which could continue for another 12-15 months, is affecting every business

decision.

Victoria, which has the most stable and secure allocation system of any of the MDB states, has already

contributed 20% of our low reliability water and allowed the commonwealth to purchase high security water

and there should be absolutely no further reductions in Victoria's water allocation.

**Business: MVP Foods** 

Town: Cohuna

During the 4 year financial period from July 2005 to June 2009, my business in Cohuna, MVP foods had a very

stable productions level varying approximately 6% through the years. Turnover varied accordingly to gain

input price. Employment was stable at 5 in the financial year 2009/2010. Production fell 28% and staff

reduced to 3 as a direct result of low water allocations. Turnover fell over 40%. We anticipate the plan to

have the same impact except permanently. Unfortunately another 28% fall will be unsustainable.

**Business:** Hardware Store

Town: Cohuna

We run a local Hardware Store which we purchased in 1997 after deciding to sell the family dairy farm as our

four sons didn't want to farm. One of our sons came into the business with us and our plan was to retire

after 10 years and he would continue. We were employing 2 fulltime staff and 2 casuals until 5 years ago and

then 3 years ago we saw our son leave as we no longer could afford the wages. We now run the business

ourselves but would dearly love to employ people. But the drought and farmers selling water have caused

our business to decline by 20%. A further reduction would be devastating.

Town: Kerang

We gave up 42% of sales water some years ago for the environment. They need to make do with this. We

cannot go on giving water to them all the time. It is just not on. We need the water to grow the food to feed

the people. All farmers are environment managers.

**Business:** Farming

Town: Kerang

Years in business: 120

Family settled in the area in the 1890s because of water security have successfully farmed here through

drought and floods. Family have used surface water since arriving and implemented gravity irrigation at its

inception. Today I am still working the family farm with a young family, water uncertainty changes the

dynamics of the farm being mixed but lack of water has seen 90% of the farm become dryland and

enterprises fail due to lack of water. Is this to be our future? Will I be able to support my wife and children?

Will I be able to pass the farm on? Will I need my wife to return to work? All these questions will be

answered if I lose my water. My land values will decrease as without water it will be difficult to farm.

**Business:** Farming

Town: Gonn Crossing

What irritates me:

My grandfather came from England and with friends took up land in South west Queensland, in the century

before last. After his experience in Australia, he said "What Australians won't realise', is that the natural

condition of Australia is drought.'

I heard through the media, there are 80,000 Australians without homes. The government thinks we should

accommodate 100,000 immigrants. Houses will be built for the, on agricultural land presumably.

This is bad enough, but with decreased irrigation potential, how are all these people to be fed?

The MDBA should have paid attention to what Brumby was up to, diverting a main tributary of the Murray to

Melbourne, which makes no contribution to the food supply (except to throw their surplus in the garbage

bin)

Apart from being distressed by such city-centric governments (which gives me colic) due to old age I am no

longer directly involved apart from the above mentioned and despair at the mode of management

envisioned by these office boys. It is a pity they do not have to earn their living out here.

I do not think it was an intelligent idea to allow water to be sold off farm.

Where I live is a concentrated agricultural area, with crops and meat, fruit and vegetables grown and

developed successfully. Now it is largely brown thistle paddocks.

**Business:** Dairy farming

Town: Kerang

I have run a 200 cow irrigated dairy farm on the Torrumberry system. I have retained our water rights and

feel a sense of achievement still being able to produce valuable milk. Our area has probably already lost 25-

30% of its water. A lot of which went to MIS schemes and now to overseas owners (at bargain process). Our

water charges from GMW have increased 25% in 2 years. NVIRP are not talking to us and won't guarantee us

continued access to irrigation water, so we probably should be selling our water and cows as soon as

possible. I wanted to get some return on a 4 year old dairy and stay in the district. I tend to be optimistic that

things will work out ok and too busy to worry. I do think the MDBA should buy a large amount of water on

the temporary water market which would help reward those who have hung on to their water rights. This

season I could sell 40% plus of my water allocation without adversely affecting my dairy business. In the

wetter years there would be plenty of chances to but in the dry the environment may have to wait.

**Business:** Mixed farming

Town: Kerang

Years in business: 56

We farm in partnership with our daughter and son-in-law. During the period of low water allocation our

operation slipped from a profit of \$120,000 a year to an operation making an \$80,000 loss. If water was to

be taken away on a permanent basis we could not continue to farm as we have been. There needs to be a

study done on how or what farmers could grow profitably on a lower water allocation. There is no solution

being offered for the future.

Town: Kerang

We came to Kerang in 1975 with what was equal to 2 ½ Melbourne houses prices as assets. We worked for

30 years, 7 days a week up to 20 hours a days, milking cows. We educated our children improved the farm

assets with new houses, machinery, land lazering, water management. Water loss will make our enterprise

unstable and we will be forced to return to Melbourne with little or no recompense.

I spent a year, part time obtaining a certificate of doing farm management. My daughter went to Dookie and

has a Diploma of Applied Science in agriculture as does her husband. They both worked on our farm. Their

son Daniel who is 19 years old would like to take over the farm but until this water situation is resolved, our

lives are on hold and he has obtained a position on a farm in central Australia.

If we have less food production we (Australia) will have to rely on other countries to provide our food for us

which will put us at the mercy of their pricing systems.

In future, countries around the world will be experiencing food shortages as their populations grow. Already

many of these countries are trying to purchase Australia's farm land as a source of food for their own

people.

It would appear that the MDB only classify Australia's lakes and rivers as environments that require water.

Farm land will soon be desecrated become desert like without irrigation water. We have spent so much

money fighting salinity for our pasture to be left to die.

What happened to the 40% of our water sales entitlements that was asked for and given for the

environment?

I would also like to know who is expected to pay for our irrigation channel. Can't the government guarantee

adequate compensation for the devaluation of property, loss of livelihood and loss of years and years of

work and planning for the future of our children, grand children and future generations?

For years some of us have worked hard for 365 days a year up to 20 hours a day for the future of our

families.

It appears this can be taken over at the whim of the environmentalist without a thought of the efforts on

farm families depending on water to provide food for other people. Thriving regional towns will die. The

aged, school children and youths will all have to move to the big cities. This will put greater strain on the

hospitals, doctors, welfare, housing, water, social security services.

Business: Real Estate Agent

Town: Kerang

I am a local real estate agent who has lived in the area all my life. In my work I sell properties to people

looking for a green change. With no water we will struggle to keep it green and survive. In this day of mobile

phones and laptop computers why don't we encourage government departments and city people to the

bush? It would lessen the urban sprawl and their water needs and give us in the bush a much needed boost

and a greater appreciation that our farmers are indeed a part of the environment and that sustainable

agriculture is an important part of our future.

Town: Kerang

As the larger towns decline the critical mass is lost returning these towns back 100 years or more. Kerang

becomes the size of Cohuna and it continues down the line till some of the smaller communities are so small

no services can be retained. Hospitals, schools, police, ambulance, transport links. Can we afford to lose

these as well as possible water losses.

**SHIRE OF CAMPASPE** 

**Business:** Dairy farming

Town: Kyvalley

Years in business: 40 years plus

We were dairy farming at Kyvalley for over 40 years on 65 acres now not classified as a viable farm. When

the drought first hit in 2000 we only had 53% water right and had to dry our cows off in December. We had

no farm income until the following September-October but the bills still had to be paid. We only survived by

an interest free load from Nestle to buy hay, a government allowance and some off farm work. If the

suggested cuts take place we won't even have water to put on our Weeties. It will possibly lead to an

increase in suicide as people will struggle to make ends meet as we struggle to feed what people we have

now.

**Business:** Farming

Town: Nanneella

We have a farm worth several million and we owe several million. Water is a big percentage of our assets.

We have borrowed several million in recent years to secure more water. The bank has loaned money to us

with water as security.

**GREATER SHEPPARTON CITY COUNCIL** 

**Business:** Irrigation Farm

Town: Ardmona

I run a small irrigation farm at Ardmona. I am concerned about the price of water and charges. I am semi-

retired but rely on my cattle and farm produce for my living. If the basin plan goes through prices will sky

rocket and I won't be able to meet my commitments.

Town: Invergordon

Down fall of business as a result of following water allocations cumulative effects. Sale of assets to continue.

Loss of value to property etc.

**Business:** Accounting

Town: Shepparton

Years in business: 113

Tom Chick from Stubbs Wallace owns an accounting practice in Shepparton which has been established for

113 years. Up until 10 years ago, an estimated 30 per cent of their business was derived from direct farm

income and an estimated 30 per cent from indirect farm income. Over the past 10 years this has now

reduced to about 25 per cent of their income derived from direct and indirect farm sector.

Their business is witnessing first hand, the flow-on effects of reduced farm business numbers and they are

concerned about the flow-on effect of any further reduction in water availability for irrigation.

While their business has retained many of their former farming clients, the financial spend for these clients

has reduced considerably as they move off farm. In most cases their needs are much less and fees have

reduced from in excess of \$8,000 per client to less than \$2,000 per client.

Several of their clients' farms have been sold to Sydney business investors and are now vacant farms.

Tom describes the impact of selling water off-farm as a huge loss for communities. "Communities lose their

social fabric as a result of this loss of water," he said.

"There is a real interdependence between the farm business and the broader community but there seems to

be no thought to the impact on farm employees and the range of agricultural service businesses including

accountants such as ourselves.

"Any talk of compensation does not take into account the loss of future production of the farm or the flow-

on effect to the region's economy and this needs to be considered," he said.

Stubbs Wallace has reduced from a staff of 30 in 2000 to a staff of 25 in 2010. As the owners approach

retirement age, they are reviewing their business strategy and have real concerns about the impact that

reduced water will have upon the value of their business.

Town: Shepparton

13 years of drought has provided much learning. Some farmers have adapted others will need help. NVIRP

project has deconstructed the benefit of structural renewal and provided many learnings too. Healthy rivers

are important to everyone.

Town: Shepparton

I have been on farm for 60 years, my family since 1870. Value of farm falling. Water value falling 10 years of

low production now insecurity. Forced sale now a possibility.

Not all farmers can attend meetings. Beef farmers in GV have been devastated by lack of water. There use to

be a lot better producer before the drought.

Town: Shepparton

My points are:

The science of the report is quite inadequate for even making an estimate. This needs to be "on the ground"

tests and trials. The Greens need to be sat on - they have too much power. Only when the time facts are

ascertained can any judgement be made on the needs of the river forests.

**Business:** Irrigation Consultant

Town: Shepparton

I am an irrigation consultant based in Shepparton and work all over the Murray -Goulbourn region. I am

upset that the 20/25 years work done in our catchments improving water quality and saving water is never

taken into account.

**Town:** Shepparton

After enlarging Eildon Lake in 1956 the government of VIC created land settlement for fruit orchards and

dairies at Dunbulbalane Allocation Water to the land of approximately 1:1 basis.

Heather and I were one of the original settlers. Still dairy farming. This dairy farm settlement scheme was

very successful surviving the cyclic ups and downs of the industry until recent years when series of two

drought years, changes to water rules and ... ... caused a severe reduction in irrigation and dairying.

In our case having built up assets over 45 years we were forced by banks to sell assets to keep producing at

the time of the worst drought. Reducing from 600 cows to 300.

Now with good rainfall and reliance on irrigation will be able to return the profit if sufficient water cost of

water are too high.

Any further reduction of water available for irrigation in this drought will, even by willing sellers, increase

costs of those remaining, increase losses in distribution, decrease production in this area, affect dairy

manufacture, all flow on effects to business and smaller towns affected the most.

Major personal problems created by loss of irrigation are, devalue of farms - thus lower super for us,

alternative to selling for retirement is to sell water to the buy back and live the dry farm. Problem high cost

of delivery share with little income to service,

Town: Tatura

I think most Farmers are conservationists and we need our water on farms for the environment. I have trees

dying through lack of water.

Town: Zeerust

I have both a farm and a business in Shepparton, both will be affected by the MDBC Plan! My farm is at the

end of the channel, if irrigation downstream sells I will be left high and dry by GM-Water costs and possibly

forced to sell, not a willing seller.