

December 8th, 2010

**SUBMISSION
TO
THE RURAL AFFAIRS AND TRANSPORT
COMMITTEE**

This Submission is made on behalf of the Upper Catchment Water Committee, an organization formed under the auspices of Victorian Farmers Federation District Councils of North East Victoria, to act on behalf of landowners generally to the east of the Hume Freeway in the matter of water policy affecting their interests.

In the capacity of Chairman of that group. I have attended meetings called by the Murray Darling Basin Authority at Shepparton and Albury at which the Guide to the Proposed Plan was discussed, and raised issues to do with water use efficiency, and the current position re installation of future farm dams to store natural rainfall sourced from a farmer's land.

WATER USE EFFICIENCY:

Section 8.5 on page 106 notes that the Authority "has considered inter alia "the need to optimise economic, environmental and social outcomes and to make a judgement about how best to achieve the optimisation requirements."

We wish to submit that:

- The best possible production per megalitre of irrigation water is obtained with supplementary irrigation in high rainfall regions.
- Commercial experience shows that, using grapes as a measure, 12 to 15 tonnes can be produced from each megalitre of supplementary irrigation water in the Upper Catchment.
- 3 to 4 tonnes of grapes can be produced per megalitre of irrigation water in the lower Murray region at Swan Hill and Heathcote.
- Grapes in the King Valley generally require 0.7 megalitres per hectare irrigation in a drip irrigation system – and irrigation normally does not start under November or December. (King Valley Grape Growers)
- Research conducted by Dr Ian Goodwin at Tatura (Information supplied by Ken Gaudion) shows that cherries require 5 megalitres per hectare less the amount provided by natural rainfall in the growing season
- Each 100 mm of rainfall deposits one megalitre on one hectare. In Myrroon, for example, the average rainfall since 1953 at my farm has been about 1000mm – that is, 10 megalitres on each hectare. The average in the last ten years is about 850 mm – the drought years! – giving 8.5 MI per Ha.
- At Wangaratta, the average long term is about 650 mm (6.5 MI/ha), Shepparton about 400mm (4 MI/Ha), and I believe the average in the lower Murray irrigation areas is of the order of 250 mm (2.5 MI/ha). Deficiency made up by irrigation.
- Irrigation begins in drier areas from late August.

- Delivery system losses are eliminated when water is pumped from a farm dam directly onto the crop, but are considerable when water is delivered over long distances.
- We contend that all irrigated crops, be they vegetable, orchard, lucerne or even pasture for dairy production will show substantial increases in production per megalitre of supplementary irrigation in the high rainfall Upper Catchment.
- A Resolution carried at the 2008 Victorian Farmers Federation Annual Conference called for research into water use efficiencies in the high rainfall Upper Catchment, which we submit will vindicate our claims above.
- On behalf of our organization, I proposed at the Albury meeting on 29th October that MDBA consider carrying out research in this area.

The Senate Select Committee on Agricultural and Related Industries released a Report in August this year on Food production in Australia.

It is a comprehensive Report, 88 pages long, and includes a discussion on long term global food supplies, underlining the need for increased production to meet the expanding world population, and the increasing demand by individuals for a higher quality diet.

It then discusses the limiting factors on food production, including alienisation of some of the most productive land by urbanisation, the increasing pressure on available water both for food production and critical human needs, and in addition there is pressure on essential fertiliser to achieve higher production – nitrogen for example depends on the limited natural gas availability long term, and efficient phosphate resources are under increasing pressure.

On a micro scale, this adds point to our contention that, certainly from water and land availability, there is a need to develop the potential for food production in Victoria's high rainfall Upper Catchment.

Accepting that water in the Murray Darling Basin is limited, and under increasing pressure, then it is sound policy to encourage its use where returns per megalitre from irrigation are maximised.

We understand that water allocation is basically a Victorian State Government responsibility, but at the same time the Federal Government, and the Murray Darling Basin Authority, are becoming increasingly influential.

Government decisions and policy in recent years have ignored the Upper Catchment, despite regular Submissions to a series of White and Green Papers, attendance at Community Consultations and numerous personal communications from a number of Upper Catchment organizations and individuals

Estimates show that about 1.05 million megalitres of water is yielded from private land in the Upper Catchment (Campbell Fitzpatrick, Weekly Times Aug 2002), which is almost 10% of the water yield – and 38% of the total water comes from Victoria's North East.

- Existing private irrigation dams prior to the passage of the Farm Dams legislation are exempt, as are limited stock and domestic storages, but all future storage for irrigation, dairy washdown or intensive feedlotting requires the purchase of a water licence – EVEN FOR WATER THAT HAS NEVER LEFT THE FARM SINCE IT FELL AS RAIN.
- All rights to water were removed without compensation.
- The cost of water purchase can be as high as \$3000 per megalitre.

- In addition, the cost of building a storage dam can be between \$2000 and \$5000 per megalitre. That cost is borne by the landowner, and is essential if water is to be available in the critical summer months.
- Cost of water at delivery point is therefore between \$5000 and \$8000 per megalitre.
- While the water right itself may be tradeable, the cost of storage is a sunk asset and is not recoverable.
- Further, in the majority of cases, the only efficient site for a dam is likely to be on a defined waterway, with onerous restrictions and a prolonged and exhausting planning permit requirement. A recent survey into Waterways under the authority of the North East Catchment Management Authority and Department of Sustainability and Environment defines a waterway as “any river, stream, creek, floodplain, wetland, estuary, gully, drain, channel or lake that can hold surface water, *even if it is currently dry.*” On the 220 Ha on my home block, I estimate from aerial photos that there are 17 Km of waterway – try placing a dam anywhere else- and the main paddocks have very porous soil which will not hold water. Only creeks and swamp areas will. And experience of others shows that obtaining a permit can take as much as three years.
- Land title Vol 6615 Fol 1322920 states *inter alia* “**PROVIDED nevertheless that the grantee shall be entitled to sink wells for water and to the use and enjoyment of any wells or springs of water upon or within the boundaries of the said land for any and for all purposes as though he held the land without limitation as to depth.**” The position of that, and no doubt many similar titles is unclear – but certainly no compensation has been provided if those conditions have been varied.
- We understand that New South Wales law gives a landowner the right to store up to 10% of water run off. We understand that there must be some controls, to preserve the reasonable rights of adjacent landowners and to ensure a proper standard of design and construction of dam
- We do not accept that those planning restrictions should have, as a major purpose, discouragement of efficient agricultural production.


To summarise: We understand that any Recommendations from the Murray Darling Basin Authority will be subject to political decision involving both Federal and State Governments.

We have submitted that, as part of its Recommendations, the Murray Darling Basin Authority should recognise the inherent efficiencies of irrigation in high rainfall areas, the better use of the limited water resource, and encourage development there, and recommend the removal of the current planning and financial disincentives.

As a corollary, sustainable diversion limits must recognise the unique efficiencies of the high rainfall areas, and the fact that almost all the water comes from there.

We also request your Committee to note, that in Victoria, the long held common law right to reasonable access to water flowing from a landowners land has been removed, firstly by the placing of administrative and planning barriers (the frustration factor), and secondly the newly introduced requirement that any

water stored for purposes listed above must now be purchase – and no compensation of any kind is available

Yours sincerely, 

David M. Evans, Chairman Upper Catchment Water Committee