

SB190227

27/02/2019



Victorian Farmers Federation Submission

Submission to the Inquiry into the Water Amendment (Purchase Limit Repeal) Bill 2019

The VFF has consistently advocated for water to be recovered through modernising delivery systems, rather than through direct purchase. We also support the building of environmental works to reduce the amount of water needed and to ensure that water recovered for the environment is used as efficiently as possible.

Since the cap on water purchases has been introduced all four mechanisms have been in use to recover water; recovery through on-farm efficiency, recover through system efficiency, recover by direct purchase and planned recovery through environmental works. The suggestion that the cap needs to be lifted to provide more options is ludicrous given the number of options available, including 300 GL still available for purchase under the cap.

The cap has provided farmers with a measure of confidence that the irrigation networks will remain viable as there will not be a wholesale decrease of the consumptive pool. That confidence has allowed farmers to invest for the long term in their businesses under the belief that, above the cap, water would be recovered through methods that don't decrease the consumptive pool. Removing the cap puts this confidence in jeopardy because the amount lost from the consumptive pool will again become an unknown figure. Further reducing the consumptive pool reduces the potential production of the Basin which affects the whole economy, including Australia's balance of trade.

The VFF supports the cap in part because the cap pushes governments to consider other options for recover water: options which have positive impacts on basin communities. For example the cap has facilitated a greater focus on the benefits of investing in infrastructure. In the short term infrastructure boost local economies due to the construction and engineering works. Long term, infrastructure that supports farmers to maintain productivity, protects on-farm employment and jobs in processing plants. Additionally a healthy agricultural industry sustains jobs in transport and marketing. Keeping jobs in small and medium sized towns is critical to the economic and social survival of regional communities.

Another example is the use of pumps and regulators to deliver environmental water will enable the environmental water holders to use less water to meet their objectives. This is particularly important in dry years, such as this water year.

The VFF oppose the bill to remove the 1500 GL cap on water buybacks. We believe future governments should not take the easy way out by re-entering the market. Removing the cap will provide an atmosphere of uncertainty for farmers and rural communities, preventing them from getting on with their businesses and producing food for all Australians and the world.

Victorian Farmers Federation