

**SUBMISSION
TO
THE SENATE
STANDING COMMITTEE ON ENVIRONMENT,
COMMUNICATIONS AND THE ARTS**

**FROM
THE UPPER CATCHMENT WATER COMMITTEE
VICTORIA**

**THE UPPER CATCHMENT WATER COMMITTEE IS
AUSPICED BY THE NORTH EAST AND WODONGA DC'S OF
THE VICTORIAN FARMER'S FEDERATION.**

**The Upper Catchment is defined as the area of North Eastern
Victoria which generally lies to the east of the Hume Freeway.
It is a high rainfall area, with substantial run off of water from both
public and private land providing the greater part of Victoria's
contribution to the Murray Darling Basin water yield. (We
understand it is 38% of ALL water in the MDB)**

**The high rainfall, an ambient air temperature that is generally lower
than areas such as Northern Victoria and Mallee/ Sunraysia, short
distance from source and shorter irrigation season make this part of
Victoria a much more efficient user of the limited water resource,
both economically and environmentally.**

**This Submission will attempt to support the above statement, set out
the current legislative fetters to further development, and suggest
ways to overcome them.**

**The Victorian Farmers Federation Annual Conference in June 2008
carried Resolutions supporting the approach of the Upper
Catchment Water Committee.**

**These Resolutions are now VFF Policy, and a copy of them is
attached.**

**There are two key issues : the current requirement to buy water at
high cost to store on our farms, and the onerous conditions which
must be met in order to site and build a farm dam.**

**We are dealing ONLY with the "on farm" storage of water that has
been generated on that farm from natural rainfall- not with water
from an external source**

**We understand that this is a difficult time for everyone with a run of
dry seasons, and demands on a limited resource.**

That resource MUST be shared equitably.

We cannot afford to divide farmer against farmer, giving everything to some and nothing to others.

WHAT HAVE THE UPPER CATCHMENT COMMITTEE DONE?

- • **For ten years we have put a case to Government inquiries for an “as of right” allocation of a portion of the water yielded by our land – and been ignored. For example, despite a substantial Submission and attendance at community consultation meetings, the Green Paper and then the White Paper, “Our Water, Our Future”, released by the Victorian Government in 2004, neither acknowledged our submissions, nor addressed the issues of Upper Catchment usage of water.**
- • **We have put a Submission to the Victorian Government Sustainable Water Strategy Discussion paper in 2007, and again the subsequent Draft Sustainable Water Strategy, Northern Region, made no direct mention of the matters we raised, despite purporting to be a Strategy for the next fifty years. We now await the Final Report.**
- • **We have met with a wide range of individuals and organizations – including the VFF on numerous occasions - to explain our case**
- • **Particularly, we have stressed that what we are seeking will have minimum effect on other irrigators**

HERE ARE A FEW FACTS:

- • **About 1 million megalitres of water flows from PRIVATE land east of the Hume Freeway in an average rainfall year. (Campbell Fitzpatrick, Victorian Department of Water Resources, quoted in the Weekly Times).**
- • **The capital value of that water, as irrigation entitlement, is \$2.5 to \$3 billion – almost equal to the COMBINED total promised by Federal and State Governments for water saving.**
- • **In an average rainfall year, 8 to 12 megalitres of water falls on each hectare of private land in the Upper Catchment, 6.5 megalitres at Wangaratta and Benalla, around 4.5 megalitres at Shepparton and the Goulburn Valley, and maybe 2.5 megalitres in Mildura and Sunraysia. On the writer’s farm, the average over the last ten- very dry - years is 8.5 ml/Ha.**
- • **Irrigation is supplementary –it normally does not start until November/December. Temperatures are lower, less evapo/transpiration, less water is needed to supplement natural**

rainfall. An example is a vineyard – photos will be provided should we appear in person– where water is pumped around 200 metres vertically from its source up onto a plateau, to irrigate grapes. They require 0.7Ml per hectare as supplementary irrigation – and this is the usual requirement in the Upper Catchment. Grapes at, say, Mildura would probably not even survive, let alone produce, at that level of water application.

- • **There is no system loss, and no capital from the public purse.**

WHAT ARE THE ISSUES:

- • **Since the legislative removal of common law rights to store water on farm with the passage of the Farm Dams Amendments to the 1989 Water Act– without compensation-landowners must purchase a water right for all but stock and domestic uses.**
- • **NSW landowners have the right to 10% of runoff from their land.**
- • **A small, restricted subsidy for purchase of water right is available - \$400 per Ml up to 50Ml – with some concessions with regard to volume. This is a small part of the actual current cost of water – note \$2500 to \$3000 per megalitre at present – in a volatile market. We understand that this subsidy is likely to be cancelled shortly.**
- • **And then you have to build the dam \$3/4000 per Ml – a capital cost borne by the landowner.**
- • **So, the end-of-pipe (delivery from Dethridge wheel) capital cost is between \$5,500 and \$7000 per megalitre. The Government subsidy referred to above covers between 5 and 7% of the total cost – with a 50 megalitre limit.**
- • **The writer’s farm – and it is about 250 hectares – yields an estimated 800 Ml in an average rainfall year, and even in the 2006 winter/spring, the driest in over 100 years, an estimated 50 Ml flowed. This would be typical of many Upper Catchment farms.**
- • **Already, the restrictions have led to the reported abandonment or curtailment of cherry and hop enterprises, and no doubt other crops as well.**
- • **EVEN MORE IMPORTANT are the restrictions on construction of a farm dam. On most upper catchment farms, the only efficient site for a dam will be a site**

classified as a waterway – facing long delays before approval is obtained, and a labyrinth of regulations. In fact, the only place which will HOLD water in many cases is on a waterway – and by waterway, we are not referring to a major stream traversing many kilometres and a number of farms. On the writer's own farm, 220 hectares on the home block, by the strict definition, there are 15 Km of waterway, and even a liberal definition comes out at 7 km. Try fitting a dam there that is not on a waterway! Worse still, the porous nature of the soil – it fills up like a giant sponge during high rainfall, releasing slowly, beginning at the top of slope, and finishing with permanent flow at the bottom of slope – means that the only site which will hold water is on a waterway.

- • It commonly takes up to three years to obtain a permit to build a dam.

WHAT ARE WE SEEKING?:

- • A well resourced Inquiry into the economic and environmental advantages of using water at its source – as set out in our Submission to the Sustainable Water Strategy Discussion paper, and supported by the VFF 2008 Annual Conference.
- • An “as of right” allocation of 20,000 megalitres for upper catchment farmers – that is, 2% of the water yield from their land.
- • That water to come from water savings promised as a result of Federal/State expenditure – estimated at over 200,00MI – which is to be allocated to irrigation, after providing water for the environment and Melbourne. Our proposal would see 10% of that “new” water, or 20,000 MI allocated to the Upper Catchment. Again, this is supported by Resolution at the VFF 2008 Annual Conference.
- • Water allocated to farm dams to be a non tradeable asset – that is, specifically for use ONLY on the originating land.
- • By contrast, water proposed to be allocated to current licence holders as high security water is immediately tradeable.
- • A formula to be drawn up allocating entitlement according to land owned, to a maximum of 10% of run-off from that land.
- • We estimate that the 20,000 MI so allocated will be taken up slowly, probably over at least ten years, due to the high cost of

construction of storage - \$3 to \$4000 per MI – making it viable only for high value crops.

- • We estimate that between 10 and 15,000 hectares of additional land could be brought into high value production over time.**

In summary, we believe that what we propose in this submission is environmentally sound, economically responsible with best use of a limited resource, makes no call on the public purse, is very achievable, takes away no existing rights of others, and rights a clear injustice.

D. Evans, Chair Upper Catchment Water Committee