

Manager  
Victorian Government Department of Environment, Land, Water and Planning  
Victoria' North & Murray Water Resource Plan  
P.O. Box 500  
East Melbourne 8002  
Victoria

Friday 15<sup>th</sup> March 2019

Dear Sir/Madam,

Please accept my Submission to Victoria's North and Murray Water Resource Draft Plan 2019.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'G. Kendell', written in a cursive style.

Geoff Kendell

Kerang 3579  
Victoria

**Submission to**

**Victoria's North and Murray Water**

**Resource Draft Plan**

**15<sup>th</sup> March 2019**

**Geoff Kendell**

**Kerang 3579**  
**Victoria**

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### **About the Author**

**Geoff Kendell is a fourth generation Australia farmer 1850 to 2019**  
**He is a third generation irrigation and dry land mixed farmer in the Kerang**  
**Region of Northern Victoria. 1893 to 2019**  
**He is a GIACD and former Policy Council Member of the National Farmers**  
**Federation and Victorian Farmers Federation**

## Introduction

“The Basin holds important social, cultural, economic and environmental values supporting strong rural communities and economies and generating about 40 percent of the nation’s agricultural income”. This is the second opening statement in the Introduction of Victoria implementing the Basin Plan in Victoria’s North & Murray Water Resource Plan Comprehensive Draft Report.

It is so disappointing that this Draft, over 1000 pages in content, fails to drill down into the impacts of its first and third parts of its opening statement SOCIAL and ECONOMIC VALUES desperately needed to support strong rural communities and economies.

Whilst Farmers and their families continue to walk off their land, community businesses that support them close for good, the stark reality is this Draft has totally missed its main brief. Its obvious The Basin Plan was never meant to support strong rural communities and economies.

With no water allocation in NSW and extreme water prices in Victoria and no likelihood of change many are being left to ponder their futures. It’s numbing, farmers are being left in shock disbelief as the consequences unfold right before their very eyes.

Unfortunately reading through this Draft is nothing more than about trying to justify ones position and measurable opinion. Yes it draws an outline picture of the Basin and part of the Basin’s Environment but totally overlooks trying to rectify the insurmountable damage that a Murray Darling Basin Plan has left the irrigation Communities in its wake. It very briefly glosses over the social and economic values of the Basin as they hardly even rate a mention. The two words appear but not much else.

It is so disappointing to see Murray & Edwards Rivers & Mulwala Channel running over capacity, washing away river banks by up to 3 metres, flooding forests with 1.5 metres of water (in a drought year) while Australia’s most highly productive food and fibre region’s landscape is being decimated.

What has happened is The Murray Darling Basin Plan 2007, a plan that was developed to balance the water industry and return water to the environment to keep the Murray River mouth open, unfortunately the Plan has been like a runaway train with no checks and balances, destroying regions social and economic infrastructure that lay in its path.

The Plan that only keeps addressing the symptoms of trying to keep the river mouth open, of which only 16% of the 1500 Gegalitres (GL) environmental flows this season have actual made it to the river mouth.

Adding insult to the farmers’ wounds has been the unintended initial flooding of both Barmah and Millewa Forests with farmer’s precious allocated water and not the environmental water until a later date. Farmers had no say in loosing this precious allocation. This action really questions the Authorities principles yet again.

This Draft Plan is like the Basin Plan, it does not take into account the 66% of the North Central Management Authority's land mass being farmland with an environment and diverse ecosystem already in place, built by our visionary forefathers, cared for and nurtured by our present farmers for the benefit of future generations. A diverse environment and habitat that caters as home and feeding grounds for farm animals, insects, birdlife, marine life and wildlife all living in harmony together. As each farmer is unwillingly removed from their preferred livelihood because of this Plan this Environment also disappears forever.

### **Socio Economic Impact to the Region**

The Murray Darling Basin Authority are saying there has been no social economic impact to this region of the Gannawarra Shire Council, its industries and businesses since the Plan was initiated in 2007 and then started to take affect in 2012.

As individuals throughout the community we have voiced strong opposition against this statement and collected regional figures demonstrating dramatically their inaccuracies of their data.

The Gannawarra Shire Council is a local government area located in the northern part of Victoria, Australia. It covers an area of 3,732 square kilometres and, at the 2016 Census had a population of approximately 10,500.

It includes the towns of Cohuna, Leitchville, Kerang, Koondrook, Murrabit, Lalbert and Quambatook.

To measure the impact, figures from the start of the plan up until now in 2019 have been collected. Figures include the numbers of students attending school, numbers of livestock being sold in the region and the changes in the dairy industry.

**Below is a table of the number of Students lost in Gannawarra Shire Council Region over the time of the Plan so far**

<b>Gannawarra Schools</b>	2006 2007	Today 2019	Loss
Kerang Technical High School	496	235	261
Kerang Primary School	160	65	95
St Joesph's Primary Kerang	140	105	35
Kerang South Primary School	223	150	73
Cohuna Consolidated	247	130	117
St Mary's Cohuna	108	116	+8
Lake Charm Primary School	25	8	17
<b>Total</b>	1399	809	592 <b>Loss</b>

**592 students is a significant loss!**

### **Kerang Prime Livestock Markets**

Another major impact of the Murray Darling Basin Plan has seen the demise of Kerang Prime Lamb & Sheep Market and recent closure of Kerang's Prime Beef Market.

With spiralling water prices, the insecurity of allocation and dry seasons these industry haven't been able to cope financially so many farmers have left the region.

With figures obtained from Stock & Land they show the Kerang Prime Lamb & Sheep Market annual throughput was 227,921 head. It is estimated if this market was still operating at today's prices the lost to the Region annually would be in the vicinity of \$34,188,150.

Similar figures show the numbers for the Prime Cattle Market annual throughput prior to the Plan at 34,213 and again estimated at today's prices a loss to the Region of \$34,213,000. Unfortunately this market has now recently succumbed to the unstable irrigation industry caused by the Murray Darling Basin Plan.

The above figures total an estimated combined loss of both markets of \$68,401,150 to the local economy. The add on loss to the local community businesses has been substantial.

The loss of income to the regions wool industry has also been significant in the 10s of millions of dollars during the same time.

## **Murray Dairy's Goulburn Murray District**

The Goulburn Murray Irrigation District (GMID) spans 27,000 square kilometres in northern Victoria, stretching from Cobram in the east to Swan Hill in the west. It covers five local government areas: Moira, Greater Shepparton, Loddon, Campaspe, Gannawarra and Swan Hill.

Dairy is the major agricultural industry, with 1119 farms, 274,547 cows that produced 1660 million litres of milk in 2017-18, worth \$740 million at the farmgate and returning about \$590 million to the local economy.

In 2017-18, 93% of the Murray region's dairy farms were family-owned and operated.

Service industries relying on dairy for their livelihoods include agronomy, veterinary, machinery supply and maintenance, financial services, and feed and fodder supply. This underscores the relationship between a prosperous dairy industry and prosperous regional communities.

In 2009 milk production recovered after the drought broke, but has not returned to pre-2006 levels. This trend is most evident in the Goulburn Murray Irrigation District (GMID). It reflects a combination of reduced water availability and affordability due to the 2012 Murray-Darling Basin Plan recovering water (meaning: taking water from farmers) for the environment from 2008; the 2016 milk price shock; and, a series of difficult seasons with dry extremes followed by wet extremes with few 'average' seasons in between.

This region has been the most affected by the changes in operating environment driven by water policy reforms over the last 15 years. Since 2000, GMID farm numbers have declined 62 per cent, cow numbers have declined 48 per cent and milk production has declined 40 per cent.

The GMID has also seen a significant reduction in milk produced by small farms as aggregation occurs. In 2008, 51 per cent of milk was produced by herds with less than 250 cows. In 2018 that figure was down to 27 per cent. Over the same period, milk production from large herds with 750 or more cows more than tripled from eight per cent to 29 per cent.

Over the course of the last drought in 2008 many irrigators were forced financially to sell permanent water to help pay for accumulated debts from trading through the extended years of drought so now rely heavily on the Temporary water market for their source of water. This strategy is now biting heavily into their businesses with prices exceeding \$500 a megalitre. In some cases five times above the financial viability of their respective enterprise. Changing water reform policy, the Murray Darling Basin's water recovery plan and water entitlements trading out of the Goulburn Murray Water District have had a profound effect on all who live and derive an income from the region.

For the Dairy farmers high water prices coupled with high grain and hay prices have had a disastrous effect of their businesses with 23 known businesses at this time leaving since the start of 2019.

## **Effect on Regional Community Businesses**

This affect of irrigators and their families leaving the Region is now flowing on to many community businesses who are trying to also leave as they see no future in the Region. The loss of critical population has dramatically affected their bottom line and the ability to stay in Business.



The figures demonstrated in the above pages give a Regional snapshot showing the number of families' especially young families leaving this region during the duration of the Plan so far. There is of course many other industries being heavily impacted including the Irrigated hay and grain farmers and their markets to regional dairy farmers; and of course the community businesses that support all our regions farmers.

Personally in 7 years my hay, small seeds and grain supply business has gone from 43 to 6 irrigation farmers still operating in business. My sheep livestock business has been similar over the last 2 years from 4600 to just carrying 55 head at the moment. This is more evidence of a negative social and economic impact.

A Victorian University study during the 2002 Drought showed for every \$1 a farmer makes it goes around the Community 4 times. It is really taking affect now with many businesses in Cohuna shut for good and many in Kerang trying to leave. For those who remain future services are being drastically reduced and to travel over an hour for supplies, repairs and to markets will become the norm. This will be a massive impost to farmers' downtime and causing considerable financial loss.



## The Problem, The Lower Lakes

The Victorian Draft Plan & Murray Darling Basin Plan fail to address the real problem which is the two lakes at the end of the Murray; Lake Alexandrina and Lake Albert, Adelaide's recreational playground and water supply.

Lake Alexandrina (64,950 hectares) and Lake Albert (16,800 hectares) together represent the largest freshwater reservoir in South Australia. Lake Albert is situated to the south-east of Lake Alexandrina, to which it is connected by a narrow channel near Point Malcolm. Lake Alexandrina and Lake Albert are shallow, with mean depths of 2.8 m and 1.7 m respectively, holding 1924 GL in storage. Using (Shepherd 1971) evaporation equation the seasonal evaporation for the surface area of the 81,750 hectares is a staggering 865.2 GL a year just under a third the capacity of the Hume Dam.

This also equals a third of the total evaporation losses for the entire Murray Darling system. It has to be stopped.

During the drought in 2010, if flexible management operations had been in place for the Lower Lakes, it is estimated that the ability to conserve 1180 GL in evaporation losses from the Lower Lakes (2003/04) plus an additional 280GL that went over the Barrages into the sea (2003/04), would have delivered 100% water security for South Australia, plus given an estimated increase in water supplies of 25% - 30% for Victoria and New South Wales Murray Irrigation regions. The financial implications of this savings are almost immeasurable.

## Solution

With a growing population in Adelaide and requirements for fresh water increasing let's look for the solution.

In 2002 I met with the then Federal Minister for Water and the Victorian Minister for Agriculture & Water to put forward a visionary proposal, a pipeline from Lake Argyle (with annual fresh water losses to the sea 5 times the capacity of Sydney Harbour) to fix the SA problem and reduce the reliance on Murray & Darling Systems. A pipeline at this time could have been built alongside the construction of the Darwin to Alice Springs rail link. A pipeline that will gravitate to the bottom of Lake Eyre before pumping was needed. A Pipeline that mimics the Hoover Dam and Lake Mead in the USA that supplies millions more people than Adelaide.

In 2006 the Late Richard Pratt offered to pay for the pipe alas both ideas fell upon deaf ears.

If not a pipeline a secondary patch up solution would be to place a new lock in the Murray River above the Lower Lakes holding fresh water above the lock for Adelaide and only releasing water through on a needs basis to keep the River Mouth open thus stopping the needless loss of evaporation of precious 1000's of GL of water.

With a growing population we must reduce our total reliance upon the Murray Darling System and become smarter about how we use this valuable resource.

## Looking to the Future

The Murray Darling Basin Authority is trying to push an extra 49GL of water down an already saturated river floodplain to SA by the 30<sup>th</sup> of June which is ludicrous. It won't fit! All you will do is moved ponded water held in the Millewa & Barmah Forests back into the River systems causing a catastrophic blackwater disastrous event killing the marine life in its way.

If a wet season was to occur during this winter we are set up perfectly for a major flood event. As the forests are already saturated from unseasonal flooding this would in turn bring about tree and flora waterlogging and subsequent deaths to the largest redgum forests in Australia.

As for the Federal Labour Party's muted 1500GL Buy back Program if elected to power at the forthcoming Federal Election, it is utter madness that has no scientific credence and will finish the Northern Irrigation of Victoria's water industry. The farmland environment will be turned into lunar landscape overnight.

Goulburn Murray Water has also done some forward planning on historical data



Murray Outlook for 2019/2020 Seasonal Determination of High-Reliability Water Shares

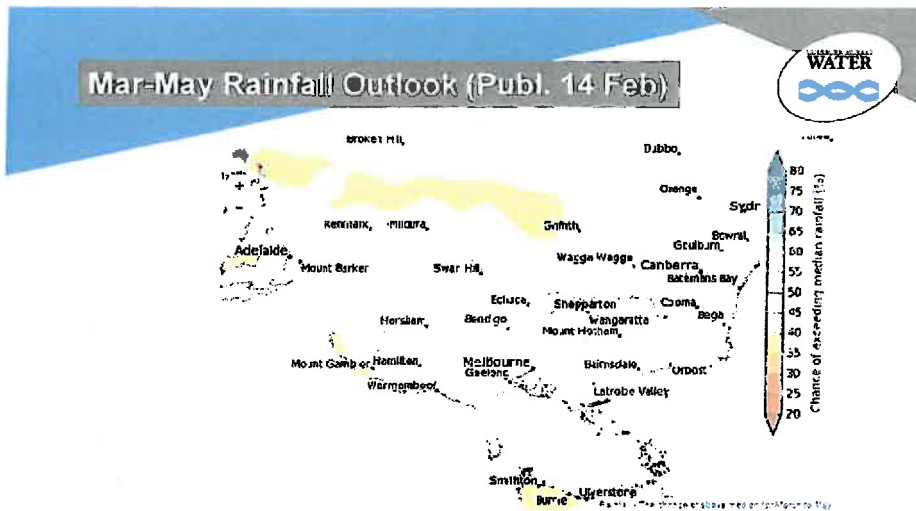
Initial Conditions	1 July 2019	15 August 2019	15 October 2019	17 February 2020
Wet	40%	74%	90%	100%
Above Average	31%	61%	100%	100%
Average	20%	40%	7%	100%
Below Average	6%	14%	58%	100%
Dry	0%	11%	41%	0%
Very Dry	0%	18%	36%	40%
Extreme Dry	0%	0%	9%	20%

Confidence is at an all time low especially when you see figures like this. Farmers need security of 100% allocation by the 15<sup>th</sup> of August 2019 to be able to water planted crops and pastures for a financial return. They are now weighing up their options as they enter their seasonal sowing period over the next few weeks.

The Bureau of Metrology says that the Southern Oscillation Index is currently neutral with a 50% chance of an El Nino developing in the autumn and winter, while the Indian Ocean indicator is also neutral. They have therefore predicted in the following slide on the next page just a 50% chance of exceeding median rainfall. Not a great way to start a sowing season looking towards the 15<sup>th</sup> of August when 100% allocation for irrigation is needed but only 34% will be allocated.

This dramatically reduces the enthusiasm to push ahead and invest in our irrigative industries. Victorian irrigators will think twice about investing in water. Yes we do have an allocation of 100% now, (announced 17<sup>th</sup> Dec 2018) but was totally useless when crops and pastures needed it in August. This season started on the 15<sup>th</sup> of August 2018 with 57% water allocation which meant an investment had to be made of

\$370 a megalitre to make sure all crops and pastures received water to finish their growing cycle and maximise production. Needing 1.5 megalitres to a hectare the investment was significant for many and in many cases ending up well above a financially viable option.



## Water Speculators

There needs to be an immediate investigation held into who owns our water. In the season during January Temporary Water Prices rose \$120 in 6 days from \$410 on the 16<sup>th</sup> January to \$530 a megalitre by the 22<sup>nd</sup> January 2019. If this had happened in the business world there would have been an immediate investigation. Obviously the perception is speculators were manipulating the market. People who do not own irrigation land should not be allowed in the market as it heavily distorts the market place for the farmers who need the water to grow crops and pasture to produce food for this nation. An immediate Royal Commission should be held.

Carryover rules should also be seriously changed.

Water Speculators are charged only \$13.26 a megalitre for their water where a farmer like me producing food for our nation's population is charged \$78.73 a megalitre for allocated water. A 593.7% markup! What for? Administrative fees which include access fees/delivery shares. Why are we disadvantaged? What have we done wrong in looking after our environment and producing high quality clean green food at the highest food safety standards in the world for our population to eat?

## **Conclusion**

With no or low allocation of Permanent Water for the forthcoming season, high water prices and no security of 100% starting seasonal allocation the future for all in the Northern Irrigation Region of Victoria is very bleak if not doomed.

This includes all irrigation Farmers, Community Businesses who support them, Community Sporting Clubs and Social Groups they and their families are involved in.

The flow on effect will also be felt by the Australian population with 40% less food availability, no guaranteed food security standards from imported replacements and of course the Australian Government and you the Victorian Government are both loosing out on the use of our Gross Domestic Product and its export value to balance your books and trade.

If nothing is done immediately to correct the inadequacies of the Murray Basin Plan we will loose our Nations Food Bowl built by our visionary forefathers over 100 years ago to feed and clothe this nation. It was a picturesque rich irrigated environment of trees, pastures and crops, supporting a wonderful habitat for birds, animals, insects, marine life and wildlife but is being rapidly destroyed and shortly gone forever.

Yes as demonstrated in the figures within this submission there has been a significant social and economic impact that should not and can not be ignore.

Give the water back at a viable price to farmers who know how to run it; Australia's future is in your hands. Sadly at the moment a terrorist couldn't do a better job of destroying our great nation's food bowl. Wake up!

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