



Victorian Farmers Federation

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Sunraysia Branch

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Issues Paper Submission: The Role of Market Mechanisms – Rural Water Use and the Environment

Sunraysia is seeing some of the earliest signs of stress to the river capacity due to water trade. Hot weather in January has seen the river managers pushed to capacity meeting Sunraysia's needs. Worlds' best practice has seen a shift to drip irrigation which produces a root zone with typically only 1/3 or less the root system and water holding capacity of other full cover irrigation systems. Some crops require daily irrigation in peak demand. Any restrictions imposed by failure to supply can have a devastating effect on produce size and quality. Severe disruption can cause total loss of a year's production.

Approximately 100 Gls have already been traded here and modelling studies are being completed to facilitate a further 200 Gls. The river infrastructure upgrades that may be required to achieve this will not happen over night and it would be negligent of government to allow this level of trade to occur without the required infrastructure in place.

The rigid laws governing HIZ and LIZ should be revised. People are selling HIZ water out of the district just to make ends meet. This water cannot return, leaving stranded assets behind and further burden for the remaining settlement irrigators.

When considering third party interests as a result of water trade, maintaining reliability of supply to existing users must take precedence over the accelerated development that Managed Investment Funds can produce. The effect to river communities should also be carefully considered. The investors that invest in MIF take their earnings back to the cities where they live. The existing Family enterprises (large and small) reinvest in their communities. Schools are filled, housing and service industries flourish and a vibrant community grows. Surely that must be the highest return per mgl crop there is.

Yours truly,

John Piccirillo (chairman)