



United Dairy Farmers of Victoria District Council 3

Submission to

Department of Sustainability and Environment

"Carryover Review Paper"

October 2007

United Dairy Farmers of Victoria – District Council 3:

The United Dairy Farmers of Victoria District Council 3 is made up of UDV branches from Benalla, Cobram, Katandra/Invergorden, Katunga, Nathalia and Strathmerton.

We source our water from the Murray, Goulburn and Broken systems and therefore have provided comment on concerns relating to these systems.

We are all volunteers within the District Council and work to further the issues of our local dairy farming community.

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The United Dairy Farmers of Victoria, District Council (DC) 3 is pleased for the opportunity to provide a submission on the Carryover Review Paper. Our comments are outlined below:

Carryover Model 2006/07:

Our District Council and the wider dairy industry were not supportive of the carryover model introduced last year. Unfortunately the 2006/07 model tended to only benefit the horticulture industry and urban water authorities.

Last years model required farmers to carryover up to 30% high reliability water shares before they could carryover any low reliability water shares.

This meant that for 96 years in 100, when 100% high reliability water share allocations were achieved carryover would not provide any benefit.

The dairy industry clearly needed greater flexibility to carryover low reliability water shares first.

The Amended Model:

The District Council strongly supports the amended model that:

"Entitlement holders can carry over water firstly against their low reliability water share".

However, we request that the total amount of low reliability water shares that can be carried over is up to 50% rather than the proposed 30%.

Evaporation Losses:

The review paper briefly mentions the 5% deduction for evaporation on all water carried over, the DC requests further information be made available on how the 5% figure was derived.

Public Forums:

It is essential that DSE informs farmers as soon as possible on their plans regarding carryover. We need to make business decisions early about how to handle our water.

Conclusion:

As dairy is the largest water user across the Northern Victoria it is essential that carryover provides benefits to those owning most of the water. The ability for farmers to carry over up to 50% of their low reliability water shares first provides the dairy industry with greater flexibility to manage their businesses during these unprecedented drought conditions.

A strong dairy industry has developed in Northern Victoria to a stage where 25% of Australia's milk has been produced in the irrigation areas of Northern Victoria. A reliable and secure water resource that does not fail has given farmers the confidence to develop their dairy business to this level in the area. With ten years of continued dry conditions dairy farmers do not have the confidence to make significant investment. One of the major reasons for this is that they no longer have a guarantee of irrigation water for the next irrigation season.

A carryover model which allows dairy farmers the ability to carryover up to 50% low security water allows dairy farmers to manage their own risk which will give greater confidence for investment if they know they will have this water for next season.