

MDBA Public Meeting

10.30-1.30pm Tuesday 13th December 2011 – Eastbank Centre, Shepparton

SPEECH

Andrew Plunkett

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General Manager – Plunketts Orchards*

Hello, my family has been growing fruit in the Goulburn Valley for four generations; and we want to keep growing fruit in the future. We, like many of you here, have had to adapt in order to survive over the decades.

In the past ten years and recently; we have seen and are still coping with the many challenges of the drought, the rise of the Australian dollar with its effect on cannery intakes, escalating cost of farm inputs, the advent of imported apples with the risk of new diseases and an ever increasing burden of red tape!

Despite all this we have confidence in the future of our fruit growing industry locally and nationally. We have committed to that potential by continuing to plant fruit trees for the future. In fact we have just planted another 32000 new trees in the last few months and we are currently constructing new cool rooms to store our harvest.

We are a reasonable size business and that gives us some resilience to overcome the challenges. We see good potential in our industry and there are many others like us; BUT there are also a large number of orchardists who would view the future with trepidation.

We have 80 people working in our business on a day to day basis and that number swells to 150 during the harvest. That makes us an important contributor to the local economy and community.

EVERY ORCHARD IS AN IMPORTANT CONTRIBUTOR TO THE LOCAL ECONOMY AND COMMUNITY!

ALL orchard based businesses like ours with **permanent horticultural plantings**, whether they be large or small, must have access to a secure supply of irrigation water in order to continue.

Confidence, that the supply of irrigation water will be ongoing, is critical to decision making and future investment planning in our industry. Currently many fruit growers are simply not in the position to have that confidence.

The Water Act (2007) has created that uncertainty and its instrument, the draft MDBA plan raises many questions and does not give answers.

It basically says "TRUST US!"

Unfortunately, our government has let our industry down in recent times, so the draft plan will certainly leave many orchardists with a lack of confidence in it and nervousness about their future.

In the draft plan, the MDBA recommends that extractions be reduced by another 2750 GL. I would like to know how that was calculated and where, how, and when it is going to be used. This concerns orchardists greatly because it is central to "TRUST US"

Regardless of the number, there is something of greater concern and that is where the environmental water will come from. So far it has come from environmental works, on farm upgrades and untargeted BUY BACK.

I acknowledge that there will be many individual orchardists who would like to participate in the buyback schemes.

BUT, for our industry, untargeted buy backs are extremely dangerous because viable businesses if not entire localities could become stranded. No-one would want to be on a channel where others have sold, leaving the few businesses behind to cover an ever increasing delivery cost of water.

Water for environmental flows must come from savings not from the decimation of productive irrigation communities.

The final plan must obligate the government to get the environmental water it needs from system efficiency improvements. The government needs to commit to environmental works, further on farm upgrades and new system management rules.

Horticulturalists with permanent plantings have no option but to buy water in times of drought. We cannot decide not to plant an annual crop or send our animals to agist. If we do not water our trees die and we are out of business! Our lead times to full production from planting are too long to simply replant after a drought!

The removal of tradable water from the market through buy back will condemn good viable businesses to future failure. If that collapse were to ever reach critical mass it could take out an entire industry.

This is not just scaremongering.

Although buying temporary water can be expensive it is the major survival tool available to orchardists in times of drought. As the water market moves upwards; irrigators, without permanent plantings, choose to sell some of their water. It is a simple decision for them when the temporary price of water exceeds the value of their production. This all happens relatively quickly and permanent crops survive.

Obviously, the Commonwealth Environmental Water Holder will be very unlikely to release water onto the temporary market during a drought. Even if they were to do so, I think they would most likely be slow to react. So the removal of a large chunk of water from the temporary system through buyback for the environment will have (excuse the pun) **serious flow on effects!**

Before I finish, I should point out that the draft MDB plan, in its legislative instrument form and its plain English form, is a complex document that deals with a much more complex scenario across many jurisdictions and catchments. I suspect that the majority of people here have not read the documents in detail let alone the Water Act.

Most orchardists rely on the good people at Fruit Growers Victoria and the Victorian Farmers Federation to do the work of interpreting it for them. They do a good job but orchardists should not just to leave it to them over the next 18 weeks.

Fruit Growers Victoria will be making a submission on the draft plan and I encourage all orchardists to comment and provide input. I also encourage all fruit growers to make their own submissions as well.

Finally I would like to say that "TRUST US" is a big ask!

I suggest that the Commonwealth government and the MDBA must earn trust by giving businesses and communities a higher degree of certainty than the draft MDB plan proposes.

Thank You