

Media Release

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Majority of Campaspe irrigators to exit permanently

An overwhelming majority of Campaspe irrigators intend to permanently exit irrigation which will most likely see the closure of the Campaspe Irrigation District. But a handful of irrigators who wish to continue will be connected to the backbone channel system and landowners will receive domestic and stock water supply.

The intended future plans of Campaspe's 150 irrigators were unveiled at an NVIRP meeting held in Rochester last night attended by over 140 residents. Landowners had been asked to respond to a letter from NVIRP outlining their intentions. Over 100 landowners said they were choosing to exit, 26 wished to continue to irrigate and around 20 landowners were still remain undecided.

Those wishing to exit hold 90 per cent of all water shares within the Campaspe Irrigation District.

Irrigators choosing to exit will transfer their water shares to the Commonwealth Government, terminate all delivery shares and receive an adjustment payment. Those choosing to remain will need to take part in the Connections Program minimising backbone service points and relocating all supply points back to the backbone.

NVIRP Modernisation Executive Director David Kent said the results were not surprising considering the crippling drought faced by farmers on the Campaspe system who had received zero allocation for four out of the past five years.

"NVIRP is now able to provide those keen to exit with real options," Mr Kent said.

"But we will also support those who want to carry-on where possible.

"NVIRP has encouraged landowners still undecided to seek professional advice from their accountant or solicitor or another professional and has offered a one-off payment of up to \$1000.

"I thank the Campaspe community for not only leading this important decision making process but being supportive of the process we have undertaken to help us reach an agreeable outcome for all."

The majority of landowners in the Campaspe Irrigation District are on small properties with about half holding less than 25 megalitres of water share.

Campaspe Irrigation District – Landowner numbers				
	No.	%	ML/d	%
Exit	108	70.6%	183.00	90.13%
Remain	26	17.0%	13.91	6.85%
No Response	19	12.4%	6.13	3.02%
	153		203.04	

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Fact sheet

Campaspe irrigation district

- a) *The Campaspe irrigation district has received zero per cent water allocation in four of the last five years. Coupled with commodity price downturns, increasing costs to maintain and replace irrigation infrastructure, the viability and sustainability of the district has become questionable.*
- b) *More than \$20 million of NVIRP funds were initially earmarked for upgrades in the district.*
- c) *The district is relatively small with about 150 landowners on relatively small blocks. Thirty per cent hold less than 5 ML and 50 per cent hold less than 25 ML of water.*
- d) *The Campaspe Reference Group was formed in early 2009 as a subcommittee of the NVIRP Modernisation Consultation Committee to investigate water supply and security options in the district.*
- e) *Psi-Delta Pty Ltd was engaged to assist the reference group with landowner consultation. A number of surveys and community meetings were undertaken. The community considered the proposed expenditure within the district and future prices under a climate of low water availability.*
- f) *The reference group developed a plan for the future of the district with support from NVIRP and the Campaspe community. The plan involved a streamlined system with a supplementary pipeline connection to the Goulburn system. However there were still a large number (30%) of landowners indicating a willingness to exit from irrigation.*
- g) *The community supported the development of the streamlined option coupled with an option to exit. It was considered that this would strengthen the system for water users wishing to continue irrigation albeit a significant number would have to remain for the system to be viable long-term.*
- h) *An exit package was developed by the reference group and NVIRP based around the total funds available. A key assumption was that high reliability water shares would be transferred to the Commonwealth Government. Landowners would also receive a payment for relinquishing delivery share.*
- i) *The opportunity for landowners to obtain independent professional advice was made available and paid for by NVIRP.*
- j) *More than 70 per cent of landowners have elected to exit irrigation, but more importantly, they hold over 90 per cent of the delivery shares allocated within the district.*
- k) *It is now likely that the Campaspe Irrigation District will be completely decommissioned. NVIRP will work with those that wish to remain to find alternative supply solutions and a number of properties will continue to be irrigated as part of the Rochester Irrigation District or as a diversion customer with a connection direct to the Campaspe River.*
- l) *Decommissioning the system will save 6 GL of water per year (conveyencing loss).*

Landowners were given the option to:

- *Exit irrigation – accept an adjustment payment and terminate all delivery shares*
- *Remain in irrigation – provide a commitment to minimise backbone service points and to participate in the NVIRP Connections Program to relocate all supply points back to the backbone.*

NVIRP has agreed to carry out the following if all landowners choose to either exit or remain by March 31 2010:

- *pay adjustment allowances within 30 days of an agreement being signed*
- *facilitate the transfer of high reliability water shares to the Commonwealth Government*
- *engage G-MW to manage and undertake the Campaspe Weir remediation works*
- *provide farm irrigation design support for landowners who wish to remain in irrigation so that they can develop a connection back to the Waranga Western Channel or Campaspe River.*
- *undertake design and construction of a reticulated domestic & stock pipeline.*

The Campaspe Reference Group, which represents all landowners supplied by the Campaspe Irrigation District, will offer up to 14 GL of water entitlement to the Commonwealth Government. An above average price is expected due to the large volume of water sold in one transaction.

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