

Watershed or Water Shared?

An Inquiry into the Politics of Rural Water Allocations in Victoria

Submitted in fulfillment of the requirement of the degree of

Doctor of Philosophy

By

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Well, you see Willard ... In this war, things get confused out there - power, ideals, the old morality and practical military necessity. Out there with these natives it must be a temptation to be good because there's a conflict in every human heart between the rational and the irrational, between good and evil. The good does not always triumph. Sometimes the dark side overcomes what Lincoln called the better angels of our nature. Every man has got a breaking point – both you and I have. Walter Kurtz has reached his. And very obviously, he has gone insane (Apocalypse Now).

Abstract

This thesis explores the politics associated with rural water reform in Victoria. The specific focus of the thesis is on the period from 1980 through to the time of submission in May 2010. During this period, the rural water sector has undergone radical reform in Victoria. Initially, reforms were driven by a desire to improve the operational efficiency of the State's rural water sector. With the growing realisation that water extractions were pressing against the limits of sustainable yield, the focus of the reform agenda shifted to increasing the economic efficiency derived from every megalitre of water. By early 2000, the focus of the rural water reform changed as prolonged drought impacted on the reliability of water supply for the irrigation community. The objective of the latest round of reforms was to improve the efficiency of water usage as the scarcity became more acute. To deal with many of the intractable problems confronting the rural water sector over this period government turned to the neoclassical economic paradigm. The gradual application of market principles throughout all levels of the rural water sector to drive efficiency is giving rise to growing discontent amongst rural water users. This has provoked increasing resentment over the intrusion of the "market" into seemingly every element of rural life. As the water market drives structural reform across the once heavily protected rural sector, farmers have looked to their peak representative body, the Victorian Farmers Federation, to defend established patterns of resource usage. As governments responded to concerns about the environment, the Victorian Farmers Federation was forced to make a number of compromises to protect the security of its members' water rights. Many members found the compromises unpalatable and became less loyal to the VFF. At the same time the robust political allegiance between the VFF and National Farmers Federation was severely tested by the Council of Australian

Governments' broader rural water reform agenda. In addition to the obvious self interest that rural water users have in this policy process, there were underlying issues at work.

Acknowledgements

There are so many people who have contributed to the development of this thesis. Some of the contributions have been made indirectly by people who freely expressed their opinions at many of the meetings I attended whilst at the Victorian Farmers Federation. As a result of attending these meeting I was able to fill several notebooks with valuable insights I'd gained from farmers about my chosen research topic. This thesis is my attempt to give a voice to the underlying issues raised by farmers. Of course the issues I explore within this thesis reflect my interpretation and, as such, are open to be challenged by other individuals who may view the issues differently. By far, the most important relationship one develops over the long journey which a PhD thesis encompasses is that with the supervisor. I'm forever grateful for the support, patients and persistence shown by Dr. Peter Love towards me as I grappled with my research topic. His support extended well beyond that of academic and student. Despite his busy schedule, he was always available to point me in the right direction when confronting the many challenges associated with having elderly parents and personal career failures. Any short fall with this thesis rests solely with the student and not the supervisor. There were several other individuals who require acknowledgement as having made important contributions to this thesis. First and foremost is Mr. Gordon Weller who so generously made available to me the vast array of papers he'd collected over the decades he was involved in representing the interests of farmers within then Victorian Farmers Union and its many identities and on various government committees. The many drives we took together around the Lockington irrigation district have been highly insightful and enjoyable. Gordon proved to be a reliable sounding board as I grappled with my technical understanding of the rural water system. Mr. John McNeil was another individual who generously gave his time to

read various work in progress draft chapters and shared valuable personal insights which increased my understanding of how farmers define their happiness and sense of self worth. Alistair Watson also kindly made himself available to read various draft chapters as they were evolving. One can always rely on Alistair's feedback being straight to the point. Finally, there have been many others who have supported me during this long journey from beginning to completion of the thesis. These people know who they are and will be personally thanked in due course once the dust settles and I'm able to pry myself out of the foetal position and stop rocking backwards and forwards whilst sucking my thumb! Has it all been worth it? Regardless of the final outcome, yes!

Declaration

This thesis is my own work. It contains no material which has been accepted for the award of any other degree or diploma, except where due reference is made in the text. To the best of my knowledge, this thesis contains no material previously published or written by another person except where due reference is made in the text.

Signed: 

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Preface

I was born and raised in the small country town of Cohuna in northern Victoria. Like so many other small towns in northern Victoria the economic and social prosperity of Cohuna remained intimately linked to the surrounding agricultural enterprises. The art of agricultural production in the northern plains of Victoria was sustained by the snaking network of man made channels that supplied the water required for irrigation over the dry summer months and for providing essential all year round supplies of stock and domestic water.

During my childhood, the man made channels provided me with, along with my brother and sisters, countless hours where we searched for hidden treasures as the channels were lowered for the duration of the winter months.



This is a picture of Sandy Bottom during the winter months when water in the irrigation channels were lowered as they were not required to provide water for irrigation. Sandy Bottom is about 100 meters from my parent's home in Cohuna. **Photo:** Barry Hancock

While we would wander for miles along the bottom of the channels the muddy clothes we arrived home with would prove to be an ongoing frustration for mum.

The summer months were filled with endless hours where we could be found swimming at our favorite place “Sandy Bottom”. The endless hours were filled with mud fights and playing underwater brandy with other children from around the neighborhood.



Our favorite swimming hole “Sandy Bottom” in full flow during the irrigation season. The stump protruding from the right side of channel bank is all that remains of the giant gum tree which spread its branches across the channel enabling us to perfect the art of dive bombing. **Photo:** Barry Hancock

As we grew older our childhood games were replaced with sharing many fun filled moments water skiing; a hobby which my sisters would introduce to their own children. They regularly make the trip up from their home in Melbourne on the many weekends over the summer months to put their boat in and spend the hours skiing on the Gunbower Creek.



This is a picture of my nieces and nephew taken at the ski run on the Gunbower Creek on the Gunbower Island 6km out of Cohuna during the Christmas holiday break December 2008. **Photo:** Barry Hancock

During my childhood, little consideration was given to the significance of the snaking network of irrigation channels, or, to the fact that every drop of water had already been allocated for use. For us children, it just seemed the channel system was simply there for our enjoyment!

Little did I know that later in life I would become involved in one of the most contentious areas of public policy which would have intimate links to my upbringing!

In June of 2000, I became the Victorian Farmers Federation's water resources policy officer; a position which I occupied for over three and a half years.

While having grown up in an irrigation dependent rural community in northern Victoria, my upbringing was not sufficient for preparing me for the world of rural water politics. As I would soon discover, I was very much “wet behind the ears” when it came to the politics of rural water.

This thesis is my attempt at making sense of the many experiences I'd encountered representing the "interests" of farmers in the highly contentious area of rural water politics.