Submission to the 2026 Murray–Darling Basin Plan Review

Fruit Growers Victoria (FGV)

Introduction

Fruit Growers Victoria (FGV) welcomes the opportunity to contribute to the 2026 Murray–Darling Basin Plan Review. FGV represents apple, pear, stone fruit and cherry growers and packing businesses across Victoria, an industry that produces approximately 90 per cent of Australia's pears, 50 per cent of apples, 75 per cent of stone fruit and 37 per cent of cherries. Based in Shepparton, in the heart of the Goulburn Valley, FGV works closely with growers across the Goulburn–Murray Irrigation District (GMID), one of the most significant irrigated horticulture regions in the country. This submission reflects the lived experience of growers whose businesses, communities and futures are directly tied to water policy outcomes in the Basin.

The Importance of Irrigated Horticulture

Northern Victoria is one of Australia's most important food-producing regions. While it represents only around 9 per cent of the Murray–Darling Basin's geographic area (approximately 12 million hectares), it delivers disproportionately high economic output, including:

- The highest agricultural output in the Basin at approximately $14.5 billion
- The largest agricultural value-add at $6.6 billion
- The highest food manufacturing output at $9 billion

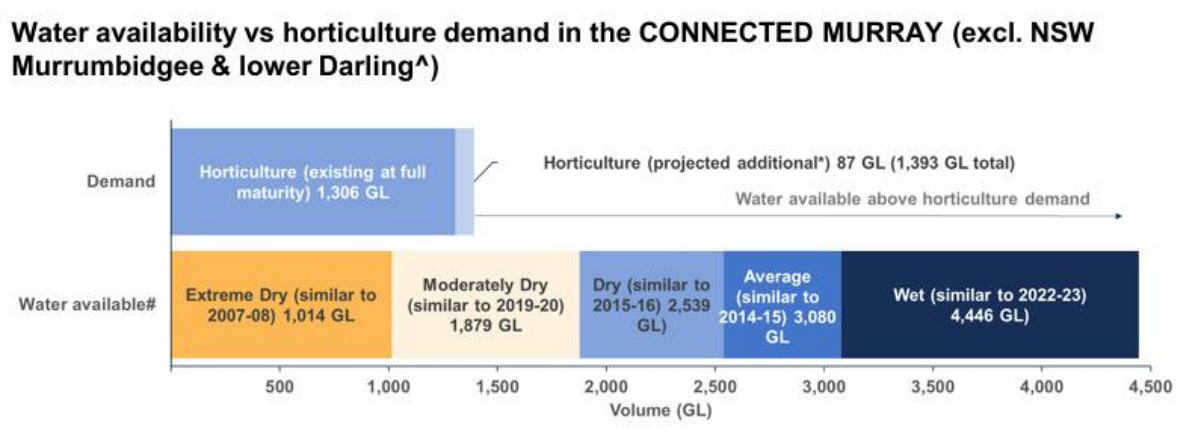
The GMID supports a diverse range of agricultural industries, including dairy, horticulture and mixed farming systems. Effective water policy must recognise and balance the needs of these industries to ensure overall regional resilience.

Irrigated horticulture is fundamental to the economic, social and cultural fabric of northern Victoria. Regional centres such as Shepparton, Cobram, Swan Hill, Robinvale and Mildura have been built on the success of irrigated agriculture, with horticulture playing a central role in employment, investment and export income. A defining feature of horticulture is its reliance on perennial plantings. Orchards require long-term, consistent water supply and cannot be scaled up or down in response to seasonal variability without significant and often irreversible losses. Trees represent decades-long investments, and once removed, production capacity cannot be quickly restored. For this reason, water reliability is not a preference, it is a necessity.

Water Availability and Structural Change

Over the past two decades, irrigators in the GMID have experienced substantial structural change. Approximately 37 per cent of environmental water recovered in the southern connected Basin has come from the Goulburn system, representing a significant contribution from this region to Basin-wide environmental outcomes. At the same time, high-reliability water entitlements linked to land have declined by around 45 per cent between 2000–01 and 2023–24 (DEECA, 2025). As a result, many irrigators now hold only 40 to 50 per cent of the water required to sustain production in an average year, relying heavily on the temporary water market and carryover. This increasing dependence exposes growers to significant price volatility and risk, particularly during periods of low allocation.

The Murray–Darling Basin water supply and demand analysis in the 2025 highlights the seriousness of this issue.



Source: WSP (2025). Water availability and demand in the southern Murray-Darling Basin (2025 Update)

Under extreme dry conditions, there is a real risk that there will be insufficient water available to support existing permanent horticulture plantings, even if water use in other sectors is reduced (WSP, 2025). Even in moderately dry conditions, water may still be available, but at prices that challenge the viability of production. These findings underscore the need for a Basin Plan that not only considers environmental outcomes, but also ensures that permanent plantings, and the communities that depend on them are not placed at unacceptable risk.

Irrigator Investment and Environmental Outcomes

Despite these challenges, irrigators have consistently demonstrated a willingness to adapt and invest. In the GMID, 62 per cent of farmers have upgraded their irrigation infrastructure (GBCMA, 2023), while in the Mallee region the adoption of pressurised irrigation systems has increased from 61 per cent to 98 per cent of irrigated area between 1997 and 2024. These investments, often made at significant personal cost, have delivered measurable improvements in water use efficiency, salinity management and water quality.

These outcomes highlight an important point: farmers are not passive participants in the Basin, they are active environmental stewards. Sustainable water management is essential to the long-term viability of both their businesses and the ecosystems in which they operate. Many of the environmental gains achieved across the Basin have been delivered in partnership with irrigators, particularly during and following the Millennium Drought.

Gaps in the Basin Plan Review

It is therefore deeply concerning that the current Basin Plan Review discussion paper appears to give insufficient weight to agriculture, and particularly irrigated horticulture. The limited reference to agriculture in the paper, and its absence from key summary sections, suggests a disconnect between policy framing and on-ground reality.

This framing fails to recognise the extent to which growers have already contributed to environmental improvements, particularly through efficiency gains and participation in water recovery programs. It also overlooks the broader role of agriculture in sustaining regional economies and communities.

Regional and Economic Impacts

The social and economic consequences of water policy decisions must be more fully considered. Irrigated agriculture underpins regional economies, supports thousands of jobs and sustains communities across the Basin. Reductions in water availability do not occur in isolation, they flow through to local businesses, service industries and community wellbeing.

There is also increasing evidence of structural change within irrigation communities, including farms being sold or taken out of production, reduced succession planning and declining population in some regions. As irrigation properties are dried off, the fixed costs of maintaining irrigation infrastructure are borne by a smaller number of users, increasing costs for remaining irrigators and further undermining viability. Horticulture plays a particularly important role due to its capacity to generate year-round employment and support extensive supply chains beyond the farm gate. A Basin Plan that does not fully account for these impacts risks long-term damage to regional communities.

Water Buybacks and Policy Direction

FGV acknowledges the importance of achieving environmental outcomes but remains concerned about the continued reliance on water buybacks as a primary policy tool. Buybacks permanently remove water from productive use, increase water market volatility and place upward pressure on prices, particularly during dry periods.

There is evidence that the Commonwealth has purchased a disproportionate amount of Victorian high-reliability water shares compared to both Victorian low-reliability shares and high-reliability shares in New South Wales and South Australia (VFF, 2025). As high-reliability water is critical for perennial horticulture, this has resulted in greater economic impacts in northern Victoria compared to other regions.

FGV also highlights the need for more flexible approaches to environmental water management, including consideration of temporary reallocation mechanisms during drought to support critical food production where appropriate. A more sustainable approach would prioritise investment in infrastructure, efficiency and innovation, alongside targeted support for irrigators.

Greater clarity is needed regarding funding mechanisms and co-investment programs to support water-saving technologies such as netting and advanced irrigation systems. Targeted investment of this kind has the potential to deliver measurable water savings (for example, netting can reduce water use by 10–15 per cent in some horticultural systems) while maintaining production, supporting regional economies and contributing to Basin Plan objectives.

FGV also supports increased Commonwealth investment in off-farm infrastructure through direct funding to state governments and delivery authorities to modernise irrigation networks. Programs that improve delivery system efficiency, such as channel automation, rationalisation, and strategic piping, can generate water savings while maintaining or enhancing agricultural productivity.

Importantly, investment in delivery system efficiency must prioritise outcomes that deliver genuine, system wide water savings and improved reliability for remaining irrigators, rather than simply redistributing water or reducing access in already constrained regions.

A renewed focus on off-farm efficiency provides a practical alternative to water buybacks, enabling governments to achieve environmental objectives while sustaining productive agriculture and regional communities.

Planning for Drought and Water Scarcity

A critical gap in the current framework is the lack of proactive planning for drought and low allocation scenarios. While current conditions may be favourable, history demonstrates that water availability can change rapidly. Growers require certainty and forward visibility to make informed decisions about planting, investment and risk management.

The Basin Plan should include clear trigger points and response strategies for different water availability scenarios. Without such mechanisms, growers are forced to respond reactively to changing conditions, increasing financial risk and reducing confidence in the system.

Food Security and National Interest

Food security must be a central consideration in the Basin Plan Review. Australian agriculture supports a population of more than 26 million people and contributes to global food supply. Horticulture plays a critical role in providing fresh produce to both domestic and international markets.

Unlike other sectors, agriculture operates within constrained global pricing environments, meaning its value extends beyond direct economic returns. The ability to produce food domestically in a reliable and sustainable manner is a strategic national priority, and water policy decisions must reflect this broader importance.

Governance, Equity and Confidence

FGV emphasises the importance of governance arrangements that are transparent, equitable and informed by local knowledge. Any changes to the Water Act or intergovernmental agreements must ensure that Victorian irrigators are not disproportionately impacted.

Greater clarity is also required regarding proposed changes such as the relaxation of system constraints, particularly in relation to how these changes will affect irrigation regions. Confidence in the Basin framework depends on fairness, consistency and meaningful engagement with stakeholders.

The success of the Basin Plan depends on its ability to reflect the full complexity of the Basin system. Irrigated agriculture is not separate from the environment; it is an integral part of it. Healthy waterways, productive farms, resilient communities and national food security are deeply interconnected.

Growers have demonstrated their capacity to adapt, invest and contribute to positive environmental outcomes. What is needed now is a policy framework that recognises this contribution and works in genuine partnership with industry.

FGV urges the Murray–Darling Basin Authority to ensure that the 2026 Basin Plan Review delivers a more balanced, inclusive and practical framework, one that secures environmental outcomes while also protecting food production, regional economies and the long-term viability of irrigated horticulture in Australia.

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