

SUBMISSION

Options for managing trade between the Goulburn system and the Lower Broken Creek

We are a farming family with water entitlements in zones 6 & 6B.

Over the years, we have regularly transferred water as and when required between the 2 zones. However, with the Barmah Choke trading prohibition being in place much more frequently than in the past, combined with the ability of professional water traders to almost instantaneously utilise the small trading windows that open from time to time, we are finding it increasingly difficult to manage our farm efficiently with an eye to maximising productivity. This detrimental effect is more pronounced in years with low allocations.

We appreciate that the Lower Broken Creek (LBC) is classified as below the Choke for trading purposes and we understand the inherent logic therein bearing in mind that the LBC joins the Murray downstream of the Choke. We certainly don't endorse the LBC being used as some sort of backdoor means of getting zone 6 water to zone 7 and beyond but it is galling and inefficient that two paddocks which are almost contiguous and in the same ownership and single farm enterprise cannot readily shift water from 6 to 6B as the season dictates especially as the land is geographically well to the east of the Choke.

We note that the point has been made that the present study is not intended to address itself to this particular set of circumstances but we also note the numerous references to improving trading rules to the benefit of all irrigators and overcoming anomalies or unfair advantage. We feel we are the victims of an unintended consequence brought about by the Choke trading rules and, as this current enquiry is dealing with the LBC, which is our 6B supply, then our problem should be at least considered.

We know that any change will require the agreement of the MDBA and other participants and believe that this current study would be a good vehicle to initiate consultation with the other parties. When our application to transfer 40ML from 6 to 6B was refused on 23 October last year, we made representation to the MDBA and received quite a sympathetic response which included an undertaking to raise the issue with GMW and others so we believe that the present is too good an opportunity to let slip by.

We have no objection to strict protocols being put in place which would allow allocation transfer between 6 & 6B at all times. For example, we would be comfortable with common ownership, single farm enterprise, zero dollars per ML and no capacity to dispose to a third party or perhaps simpler from an administrative point of view, any trade from 6B to the zones 1A & 7 and beyond should be subject to Choke and Goulburn IVT limits.

We are not entirely convinced that the identified options sufficiently encapsulate what might have emerged in a fuller consultation process not hampered by Covid restrictions on face to face discussions.

Nevertheless, in respect of the 3 options proposed in the discussion paper, we say at the outset that while we endorse actions to limit environmental damage caused by unseasonal high Summer flows in the Lower Goulburn, we would want river operators to be mindful of the fact that the LBC is the primary supply source for zone 6B irrigators and that that care must be exercised to ensure that, in relieving the Goulburn by using the LBC as a conduit, that problems are not simply transferred from the Goulburn to the LBC to the detriment of local irrigators or the LBC environment.

Option 1 is our preferred option because it preserves trade to the wider Murray (although that is not of much concern to us because, now that carryover is in place, we don't, as a rule, sell allocation.).

The option allows consumption of 1A water in 6B via a tagged account which would enable us to get out of a tight spot if the Choke trade is shut down..

Nevertheless, we have two reservations with Option 1. Firstly, tagged ABAs seem like a bit of a contrivance and, secondly, it was said a couple of times during the two webinars that tagged ABAs may have a limited life depending the Minister's decision on them down the track. If that is the case, we could not have ongoing confidence in a tagged ABA especially as any we might secure will not be grand-fathered.

Option 2 has no appeal as it does not enable us to ameliorate in any way our issue of transfers between our adjoining farms should both the Choke and the Goulburn IVT trade prohibitions be in place simultaneously.

Option 3 has some attraction in that obviates the need for a tagged 1A ABA. It would mean that, should the Choke trade be closed, we would need to purchase allocation in 1A and if necessary fund the acquisition by selling allocation in 6. This seems clumsy and contrived and incurs transaction costs but it is doable.

The constraint on trade to the wider Murray would be of little concern to us for the reasons stated under the Option 1 narrative above.

We commend the presenters on the two webinars for their clear explanations despite technological challenges and trust that the outcome of the Consultation can achieve the primary objective of ensuring that as far as possible all GMW entitlement holders are treated equally and equitably in respect of trading opportunities.

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