

## FIX THE BROKEN

Before any consideration is given to a Water Resources plan, there is an anomaly that still exists in the Broken River allocation system that has left irrigators on that system with seriously depleted water allocations and environmental flows in the river severely compromised.

This season's opening allocations in July were at 0% for both HRWS and LRWS. They rose to 17% for HRWS and 0% for LRWS in November and finished at 32% & 0% in February this year. This put viticulture crops in serious peril as allocations in October/November are critical for flowering and January/February allocations critical for finishing the crop. Opportunist irrigators of annual crops, such as maize and other fodder crops can adjust their cropping to suit allocations. Vignerons have no such luxury – vines have to be watered – especially in dry years like this. Other systems, such as the Goulburn and the Murray, which were always comparable to the Broken, and why many invested in irrigation in this system, went from 82% & 89% respectively in November, to 93% & 100% in December. All irrigators on the Broken just looked on in amazement as this unfolded. We were assured by the Government of the day that we would not be disadvantaged by the decommissioning of Lake Mokoan.

This anomaly has been in existence since Mokoan was decommissioned but for most years since then there has been adequate water in Nillahcootie to satisfy needs. The MDBC released a report in around 2013 saying our water security had dropped to around 85% due to decommissioning, it was comparable with the Goulburn at 98% previously. This is in direct contravention of the provisions of the Essential Services Act which stipulates that reliability of supply may not be altered without consultation or compensation. Unless the Government rectifies this situation, it may face compensation issues. A reliability of supply of less than 98% seriously jeopardizes permanent horticultural plantings. GMW recognised there is a problem and has made token efforts to fix low allocations on the Broken with improved stream flow management and is looking into Advanced Allocations. All of which has taken an extraordinarily long time and has achieved nothing over the last 3 years. Irrigators on the Broken are being duped into thinking GMW and the Government care. Some rational thinking needs to be applied to this problem before disgruntled users resort to less rational means.

There are only 2 possible solutions to reinstate higher reliability in the system:

1. The installation of another mid-stream storage. From estimates presented to the Reliability Reference Committee set up to advise the Government on decommissioning, this needs to be of the order of 80 – 100 GL, maybe less since the Government retired 16GL from the system in a buy back scheme. Maybe Winton Wetlands will now look favourably to the installation of a minor storage to attract wildlife and tourists. Maybe the old inlet channel could be re-configured as a storage.
2. Buy back another 8 - 10 GL from the system. Nillahcootie is obviously too small to adequately supply the system. If another buy back scheme is proposed, it must be equitable with the last one where irrigators were paid compensation of around \$1500/ML for assets rendered redundant. Back then, water on the Goulburn &

Broken systems was being traded at around \$2000/ML, it is still \$2000/ML on the Broken but \$4000 on the Goulburn. We can but speculate why there is a difference!

Of course, a buy back scheme will have a profound deleterious effect on the local economy. The Lake Mokoan Report of 2007 puts the on-farm value of 1 GL of irrigation at around \$1 mill, this would probably be more now. 8 GL retired from the system means \$8 mill drop in farm income and would probably cost the Government over \$4000/ML or a total in excess of \$40 mill. In addition, using the economist's standard 3:1 multiplier, this would cause a further \$24 mill p.a. loss to the economy in general – or \$32 mill total loss per year. Most of this is being lost as we speak if only 32% of the water allocation can be used. That represents about 5GL, or \$5 mill of farm income with a \$20 mill total loss p.a.. Even if some form of storage costs around \$50 mill, the return to the economy will be between \$20 - \$30 mill p.a. The choice is therefore obvious. This, of course, is the expected return in dry years. A return of even half this amount is an attractive investment. With climate change we can expect more dry years and more storm flows. If the government is serious about drought proofing farms and preparing them for a changing climate, water security is essential.

Finally, let me point out that the market place realizes the inadequacy of the Broken system. This is reflected in the current market price for water. Everybody, except the Government, knows Broken irrigators have literally been left high and dry. Property values have been affected. Investment in the area has been affected. Jobs and the prosperity of the region has been affected. If this Government is serious about these issues, it will rectify this problem.

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