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17 August 2017

Attention: Water Resource Plans
Water & Catchments
Department of Environment, Land, Water and Planning
PO Box 500
EAST MELBOURNE VIC 3002

Dear Sir/Madam

Submission on Draft Wimmera-Mallee Water Resource Plan

Please find enclosed GWMWater's submission on the Draft Wimmera-Mallee Water Resource Plan.

GWMWater acknowledge the importance of effective water resource management in the Wimmera-Mallee region. The Wimmera-Mallee Pipeline Project delivered significant returns to our communities by way of secure water supply, and the environment by way of increased environmental flows and environmental water holdings.

The closure of the Wimmera-Irrigation District and sale of the associated water entitlements to the Commonwealth has satisfied the Wimmera-Mallee Basin water recovery target.

The liveability of the region in which we operate is important to GWMWater, and we continue to actively support achieving multiple benefits with the region's water resources wherever possible.

Yours faithfully

Mark Williams

Managing Director



Submission on Draft Wimmera-Mallee Water Resource Plan

July 2017



Doc Ref: R2017-19005

1. Background

The Murray-Darling Basin Plan requires Water Resource Plans to be compiled for each Water Resource Plan area within the Basin, covering both surface water and groundwater resources.

The Water Resource Plan for the Wimmera-Mallee area outlines how Victoria's management of water resources in this area satisfies the requirements of the Murray-Daring Basin Plan.

The Water Resource Plan for the Wimmera-Mallee Water Resource Plan area has been compiled by the Department of Environment, Land, Water and Planning, supported by a Technical Advisory Group.

Feedback on the Draft Wimmera-Mallee Water Resource Plan has been invited through regional community forums and by written submission.

2. General

With much of the current debate in the Murray Darling Basin focussing on the socio economic impact of the water recovery targets. There needs to be greater recognition of the successes of the region in achieving the water recovery targets given the debate that exists in other basins where significant water recovery is required to meet the targets within the Murray Darling Basin Plan.

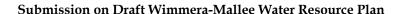
The community engagement models facilitated by the region and led by the water business have been integral to the success of the Wimmera Mallee achieving the Sustainable Diversion Limits (SDL's) of the Wimmera Avoca Basin. There remain anomalies however in the water sharing instruments relative to the funding agreements and the business case(s) that underpinned the water recovery projects and transactions that facilitated the closing of the gap of the SDL's in the Wimmera Avoca Basin.

The water recovery has however created additional water beyond current use and this was an expectation of the Wimmera Mallee community to create additional water that could support new industries in the region and facilitate regional growth. GWMWater holds this water and the broader customer base is paying for the water holding that is being held for the benefit of the region.

3. GWMWater feedback on the Wimmera-Mallee Water Resource Plan

3.1 Recreation Water

Section 3.4 of the Water Resource Plan highlights the importance of water for recreation within the Wimmera-Mallee area. The Plan makes note of the work done in the area to improve access to recreation water, such as the creation of a dedicated recreation water entitlement for





Doc Ref: R2017-19005

pipeline supplied recreation lakes. These recreation lakes are integral to the social fabric of Wimmera and Mallee communities and support the regional economy by attracting tourists. However, the water entitlement for recreation lakes holds a lower priority than 'Wimmera-Mallee Pipeline Product' entitlements for urban, consumptive and environmental use. A key objective within the Wimmera-Mallee Pipeline Business case was increased security of supply for recreation lakes, identified to be 96% reliability under a pipeline system. Since completion of the Wimmera-Mallee Pipeline, the average annual allocation to the recreation entitlement has been 50%, compared with 75% for 'Wimmera-Mallee Pipeline Product' urban, rural and environmental entitlements. GWMWater continue to receive consistent feedback from our communities that recreation water should hold equal status to urban, rural and environmental supply.

Recreation water access and reliability relative to the objectives of the Wimmera Mallee Business Case remain the most significant source of debate for GWMWater in consultative and engagement processes on water in the region. There is a need to rectify the water sharing instruments to reflect the assumptions in the business case and agreements that bound the delivery of these projects.

3.2 Water Availability and Climate Change

The extreme variability in climate experienced across the Wimmera-Mallee area since the 1990s highlights the extent to which climate affects water availability. It was this variability during the Millennium Drought which gave rise to the \$663 million Wimmera-Mallee Pipeline Project, with a key objective being improved water security.

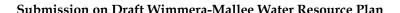
The Grampians reservoir system relies on surface water resources to supply 34 towns and around 9,500 rural connections via the Wimmera-Mallee Pipeline. For much of this area there are no alternate water sources of sufficient quality and quantity for use as consumptive supply, meaning that users are largely dependent on pipeline supply. This dependence on surface water means that climate change poses a significant risk to water availability for the region. Entitlement frameworks and water sharing arrangements must be robust to protect the rights of all entitlement holders, but must also recognise the security of urban and rural stock and domestic supplies as a priority at all times.

3.3 Water for the Environment

Environmental holdings comprise of 55% of water entitlements in the regulated Wimmera-Mallee System Headworks. This volume of water entitlements now vested with environmental water holders was recovered through the Wimmera-Mallee Pipeline Project and Commonwealth purchase of former Wimmera Irrigation District entitlements. Since

Responsible Person: Managing Director

Page 3 of 4





Doc Ref: R2017-19005

completion of the Wimmera-Mallee Pipeline, environmental water holders have in most years been the largest water user by volume.

Current environmental entitlements allow for passing flow obligations to be withheld and 'banked' for use by the environment at a later time. Passing flows rules remain blind to conditions downstream of reservoirs, with passing flow obligations remaining active in the event of flood conditions occurring naturally downstream of the reservoir. In these circumstances, passing flows are withheld, and delivered at a later time, under advice from environmental water managers. Where the prolonged 'banking' of passing flows occur, there is an obvious divergence from the intent of a passing flow. Passing flows which are 'banked' and delivered at a later time under instruction of environmental water managers more closely resemble a regulated flow. Adapting passing flow rules to consider downstream waterway conditions could better align the requirement to provide passing flows with the intent of the passing flow, that is, to be passed through the impounding structure near to the time of the inflow.

3.4 Unregulated Surfacewater users

Licence holders within Wimmera-Mallee Water Resource Plan area unregulated surface water systems continue to be disadvantaged by trading rules which require a 20% reduction in entitlement volume upon the 'trade' of a permanent unregulated surface water entitlement, even if the proposed trade is downstream and will result in a net benefit to the environment. With the water recovery target for the Wimmera-Mallee basin having been fully satisfied, it seems unnecessary to retain a mechanism which actively decreases the overall volume of unregulated licences and restricts trade. It is also noteworthy that the volume of unregulated irrigation diversion licences are a very small proportion of total take from water resources in the Wimmera-Mallee area (less than 2,000 ML).

The low 'reliability' of these licences has seen some licence holders investigate options and alternative arrangements which can provide greater security for irrigation access, or have invested in connections to reticulated pipeline supply systems for stock and domestic needs. Many unregulated licence holders have not accessed water in recent years when irrigation access has been available. The infrequent and short-term nature of access under these licences means that many licence holders are unwilling to invest in maintaining diversion infrastructure but continue to retain irrigation diversion licences.

3.5 Water Quality

Water corporations operate in a highly regulated environment, and require a certain quality of raw water to be able to meet their compliance obligations, particularly in relation to potable water. The information within the Water Resource Plan relating to water quality risks and the



Submission on Draft Wimmera-Mallee Water Resource Plan

Doc Ref: R2017-19005

resultant impacts to consumptive users is limited. It is important to recognise how water quality risks can affect the various consumptive user types (e.g. water corporations supplying potable and non-potable water, river diverters, groundwater users). There are also varying levels of tolerance in relation to water quality between consumptive user groups and the environment.

Responsible Person: Managing Director

Page 5 of 4