

Submission



Goulburn to Murray Trade Regulatory Impact Statement

May 2021

Thank you for the opportunity of making this submission in relation to the Goulburn to Murray Trade Rule Regulatory Impact Statement (RIS).

The Murray River Group of Councils (MRGC) represents communities across northern Victoria from Mildura to Yarrawonga and has been working together around water reform for over ten years.

The MRGC seeks the balanced implementation of the Basin Plan. The available water resources must be used as efficiently as possible to regenerate and preserve the ecosystems of our region's unique riverine and floodplain environment and support the long-term viability of our agriculture and food manufacturing industries, so that our towns remain vibrant, liveable and prosperous.

The environmental damage that has occurred in the lower Goulburn River as a result of high unseasonal flows is of concern to our Group and our communities. It is an early indicator of the degradation that can occur in our rivers when part of the Southern Connected Basin experiences dry conditions, putting stress on other parts of the system.

The MRGC welcomed and supported Minister Neville when she placed additional controls on the continued expansion of downstream horticultural expansion and placed temporary restrictions on flows in the lower Goulburn.

We now welcome this detailed work of this RIS and provide the following submission for consideration.

A handwritten signature in black ink, appearing to read "J Modica".

Cr JASON MODICA
CHAIR, MRGC 2021



SUMMARY

MRGC Supports the introduction of a new permanent Goulburn to Murray Trade Rule that:

- protects the environmental values of the Lower Goulburn River,
- supports the long term recovery of the riverine environment in the Lower Goulburn and does not simply relocate the impact to another part of the system
- does not unnecessarily restrict inter valley trade between the Goulburn and the Murray,
- does not increase the deliverability risk for downstream irrigators and environmental water.

MRGC supports the recommended option – Option 2 as the best balance available between long term environmental protection and recovery and supporting inter valley trade between the Goulburn and Murray Rivers.

MRGC supports further investigation of the option to relocate private diverter pumping infrastructure as discussed in the RIS to allow for pulses of up to 6000ML in summer and an increase of maximum flow rates in the winter months.

MRGC supports the preferred option for the Lower Broken Creek noting that the limited volume of entitlement involved meant that the impacts on the broader system would be minimal.

About the Murray River Group of Councils

The Murray River Group of Councils comprises six Local Councils in northern Victoria, covering an area of 47,194 km². The Group has been working together on shared issues on behalf of our communities since 2006.

The region is home to 161,000 Victorians, living in regional cities like Mildura, small rural settlements like Quambatook and thriving towns like Yarrawonga.

Agriculture and food manufacturing are key drivers of our regional economy. Combined these sectors account for one in four jobs and over half of the region's total economic output.



SUBMISSION

MRGC supports an outcome from a new Goulburn to Murray Trade Rule that provides the lowest practicable average summer flows in the lower Goulburn to support the greatest possible likelihood of environmental recovery.

The environmental values of the Lower Goulburn are highly valued by MRGC and neighbouring communities and the wider Victorian community. A healthy river supports nature based tourism, traditional owner cultural practices and other important

The recent damage to the lower Goulburn from sustained unseasonable high flows is also considered to be a potential indicator or early warning of what may happen to other parts of the system. Climate change, changing patterns of water trade and irrigation as well as the recovery of water by the Basin Plan have altered the way the southern connected basin operates.

It is important that, as these changes occur, that unintended consequences, such as the environmental degradation seen in the lower Goulburn, are addressed in a timely way.

As with many aspects of the water reform issue, achieving a balance between the different calls on water is critical.

MRGC supports management of the Goulburn to Murray Trade rules that will achieve the best environmental outcomes possible while keeping trade restrictions to a minimum to avoid simply moving the problem to another part of the system.

By restricting Goulburn to Murray trade, more pressure would be put on the Murray in dry scenarios to meet irrigation and environmental watering requirements, potentially placing more pressure on other Victorian tributaries and the Barmah Choke.

Impact on Trade

It is noted that all options except for the Base Case will result in increased restriction on allocation trade between the Goulburn and Murray Systems. As highlighted by the recent ACCC final report into Water Trade and Markets in the Murray Darling Basin, water rights form a significant proportion of irrigators' asset base and water trade provides substantial benefits to many water users.

Irrigated agriculture and food manufacturing are mainstays of the MRGC regional economy. Restricting water trade can affect irrigators' risk profiles as access to allocation trade provides irrigators with income flexibility to assist managing seasonal

differences. Therefore restricting trade more than is necessary is not the preferred option of the MRGC.

MRGC has long held the position that irrigation footprint should not be increased through horticultural expansion downstream of the Barmah Choke while the consumptive pool is diminishing through water recovery and climate change. Deliverability remains a key concern to MRGC.

It is important that outcomes for irrigators are balanced with broader community benefit including the protection of riverine ecosystems, water quality, supporting recreational use, aboriginal cultural heritage and tourism.

MRGC strongly supports the proposal to further investigate the relocation of private diverter pumping infrastructure to allow for pulses up to 6000ML in the summer months to provide maximum flexibility to river operators to provide trade opportunities and to environmental watering agencies to deliver water.

MRGC Preferred Option – Option 2

For these reasons, MRGC supports Option 2 as set out in the RIS as the option that will best address our key concerns.

While other options may result in faster and better environmental recovery or would better benefit water rights holders, Option 2 strikes a balance that should protect the environmental and other values of the lower Goulburn while enabling sufficient trade opportunity to support industry. It should also prevent the problem simply being relocated to other parts of the system.

MRGC also recommends that monitoring and evaluation of the environmental benefit of the new system is put in place and that the Victorian Government considers further adjusting the river operating rules should the lower Goulburn environmental values not recover as the modelling in the RIS predicts.

Conclusion

MRGC would like to thank the Victorian Government and DELWP for its extensive consultation with northern Victorian communities in relation to this issue.

MRGC would be happy to meet with you to expand on, discuss or clarify any of the issues contained within this submission. To do so, please contact Executive [REDACTED]