

Goulburn to Murray trade review regulatory impact statement

Closing the loop report



Photo credit

The lower Goulburn at Shepparton, Victoria (Alex Murray 2021)

Acknowledgment

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.



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ISBN 978-1-76105-578-2 (pdf)

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Thank you

The Victorian Government – including the Department of Environment, Land, Water and Planning, Goulburn-Murray Water, Lower Murray Water, and the Goulburn Broken Catchment Management Authority – extend our sincere thanks to all the people that provided their thoughts and feedback on the proposed changes to Goulburn to Murray trade arrangements.

With COVID-19 social distancing restrictions being relaxed, consultation was able to be implemented during March and April this year, through smaller face-to-face meetings with organisations, communities, and individuals across the state, as well as via online seminar presentations, online ‘drop-in’ sessions and virtual meetings.

Over 50 face to face meetings were held over the two-month consultation period. Five webinars and three drop-in question and answer sessions were held online and the recordings of these were available on the Engage Victoria and Victorian Water Register websites for the duration of consultation.

In addition, 34 survey responses and 36 submissions were received from stakeholders including irrigators, industry groups, Traditional Owners, environmental groups, fishing and recreational stakeholders and local, state, and federal government agencies. We appreciate the effort that people made to have their say during this challenging time, and it is important to us that we understand the community’s perspectives as we continue to work on developing the best way to improve Goulburn to Murray trade arrangements.

The Victorian Government will make every effort to incorporate the input of contributors as we continue with the Goulburn to Murray Trade review and Regulatory Impact Statement.

The feedback we have received from people during this consultation is captured in this Closing the Loop Report. Individual submissions have been published on the Engage Victoria website, except where the authors have not given permission.

1. Introduction

1.1 Background

The Department of Environment, Land, Water and Planning (DELWP) has proposed changes to operating, trade and tagged use rules to ensure that water traded from the Goulburn to the Murray can be delivered without unacceptable impacts on the environment or the reliability of other entitlements. Delivering record volumes of water from the Goulburn inter-valley trade (IVT) account during summer and autumn to support water traded to the Murray system caused significant environmental damage to the lower Goulburn River over the two irrigation seasons of 2017-18 and 2018-19.

Following public feedback on our initial consultation paper earlier last year, DELWP prepared a Regulatory Impact Statement (RIS) that assessed refined trade rule options based on what we heard from the community and identified new operating rules for lower, more variable flows over summer and autumn based on advice from an independent scientific panel. The RIS also included long-term options for restricting tagged water use in line with allocations trade, continuing the interim restrictions in place since 2019.

As part of the Goulburn to Murray Trade review, proposed long-term changes for managing trade between the Goulburn system and the Lower Broken Creek were also identified, building on what we heard through consultation last year. A separate consultation paper was prepared to explore in more detail the unique circumstances of the Lower Broken Creek, and how it could be treated under the proposed changes to the Goulburn to Murray inter-valley trade rules.

Public consultation took place from 22 March to 30 April and included a mixture of online seminars and webinars, online drop-in sessions that offered more opportunities for discussions and, where possible, face to face consultation.

Information and documents prepared about the Goulburn to Murray Trade rule review are available on the [Engage Victoria Website](#) and the [Victorian Water Register](#).

1.2 What was consulted on?

The Goulburn to Murray trade review identified a suit of complementary changes to address the objectives of the review to maximise trade opportunity within ecological tolerances, without impacting existing entitlements and supporting the Aboriginal cultural values and the recreational values of the lower Goulburn River. The RIS proposed options for:

- operating rules that prescribe the volume of water that can be delivered out of the Goulburn River during summer and autumn so that it is closer to natural flow patterns,
- trade rules that are set to allow trade that matches seasonal opportunities to deliver water from the Goulburn IVT account; and
- tagged use regulations that restrict use from tagged accounts in line with allocation trade rules, including options for managing tagged use under grandfathered entitlements.

Four options for changes to the trade and operating rules were compared and presented to stakeholders during consultation:

- **Option 1** – 940 ML per day average baseflows over summer and autumn, with a two-part trade rule to match (and tagged use restricted in line with trade)
- **Option 2 – Preferred Option** - 1,100 ML per day average baseflows plus three pulses of up to 3,000 ML per day over summer and autumn, with a two-part trade rule to match (and tagged use restricted in line with trade)
- **Option 3** – 1,300 ML per day average baseflows plus monthly pulses of up to 3,000 ML per day over summer and autumn, with a two-part trade rule to match (and tagged use restricted in line with trade)
- **Option 4** – 1,100 ML per day average baseflows plus three pulse flows over summer and autumn, with unrestricted seasonal tagging and an annual trade limit.

Option 2 was the preferred option identified through assessment against the objectives of the review.

These options were informed by initial scientific assessment. The advice of the scientific panel was that under the preferred operating rule (Option 2), the damage seen in previous years from sustained high flows would likely be avoided and that over the time, the river would likely slowly heal. They noted scientific uncertainty, and the RIS compared their comments with Option 1, which was environmentally preferable and presented the highest opportunity for recovery, and Option 3, which presented a higher risk of further damage.

Infrastructure options were also assessed for their suitability as alternates or compliments to changing the trade and operating rules. These options included environmental works, alternate pathways including bypasses, and moving in-channel irrigation pumps. Investigations showed that the most feasible, low cost and most immediate infrastructure option was to move the in-channel irrigation pumps as a compliment to changing rules. Moving in-channel irrigation pumps could allow pulses of up to 6,000 ML per day in the future, creating more trade opportunity with lower base flows. Other infrastructure options were found to have large associated capital costs, would take a long time to implement and/or would not achieve the same environmental outcomes.

In addition, consultation was also undertaken to test options for managing trade between the Goulburn and the Lower Broken Creek in the presence of the proposed changes to the Goulburn to Murray trade rule.

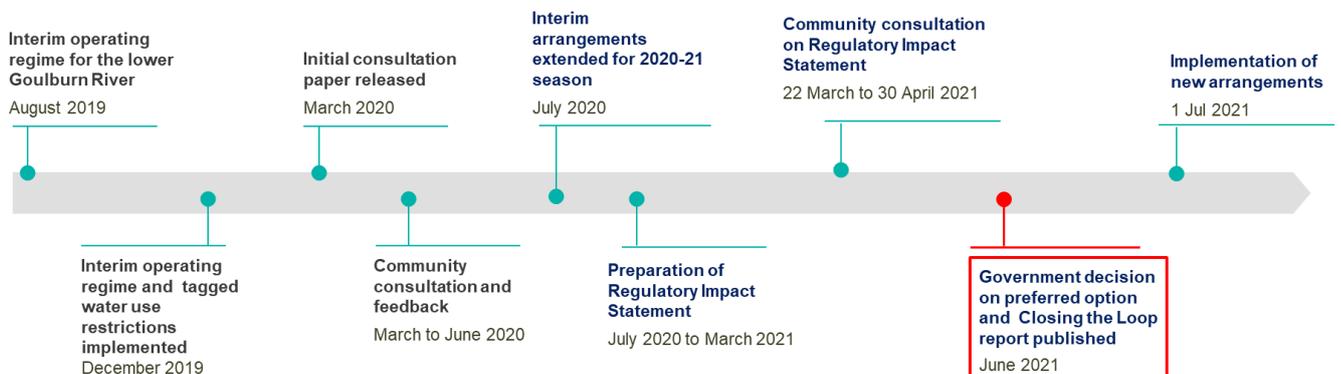
1.3 Partners in preparation

DELWP’s partner agencies, Goulburn-Murray Water, Lower Murray Water and the Goulburn Broken Catchment Management Authority contributed to the preparation and review of the RIS.

Traditional Owners were also involved in the preparation of the RIS, including in the drafting and review of the sections of the RIS addressing Aboriginal cultural values.

1.3 Goulburn to Murray Trade Review Timeline

Below is the timeline for the Goulburn to Murray Trade review.



2. Consultation snapshot

Input from the community is critical to shaping the development and implementation of proposed changes to Goulburn to Murray trade arrangements.

Between 22 March and 9 May 2021, DELWP held:



Some people have requested their submission remain private. A list of public submissions is provided on the [Engage Victoria website](#).

DELWP engaged with stakeholders from the following groups:

- Environmental advocates, groups, and organisations
- Local, State and Federal Government organisations e.g. councils, environmental water managers and the Murray Darling Basin Authority (MDBA)
- Industry Groups
- Local water users
- Recreational user groups, including recreational fishing advocates and organisations
- Water Authority customer committees

DELWP also shared and discussed the RIS with Traditional Owners.

1. Data retrieved 13 May 2021

3. What we heard

We heard a broad range of perspectives from a broad range of stakeholders during the consultation period. Different stakeholders were more concerned with different parts of the proposed package of options assessed through the RIS and not all stakeholders made comment on all the components.

What we heard through surveys, submissions and in face-to-face meetings is broadly summarised under the different components of the package of proposed changes. What we heard about the options proposed for the Lower Broken Creek is summarised separately in section 4.

3.1 The consultation process

In general, feedback about the consultation process has been favourable, with stakeholders indicating that they found small face to face meetings positive, finding it easier to talk about the parts of the review that were most important to them. Due to the volume of information and its implications, people reported that they appreciated being able to view and listen to online seminars and webinars in their own time and the opportunity to ask follow-up questions either face-to-face or online.

Some stakeholders felt that the consultation was too short, or they heard about the proposed changes too late to consider the volume and complexity of the information and a number of stakeholders requested an extension on submitting feedback. The original deadline for submissions was 30 April but this was extended to 9 May to ensure stakeholder had enough time to provide their feedback.

3.2 Objectives of the review

Stakeholders in general welcomed the review of the trade and delivery of water from the Goulburn River to the River Murray to avoid environmental damage caused by delivery of IVT. An overwhelming majority of those who took part in the consultations understood the objectives of changing the trade and operating rules with most supporting the review and recognising it as a significant step towards protecting the environmental health of the lower Goulburn River. Within this, many appreciated the objective to achieve balanced outcomes.

“This review is recognised as a significant step towards improving the environmental health of the lower Goulburn River.” – Commonwealth Environmental Water Office

3.3 Survey results

The survey was offered as a simple way to provide feedback and asked respondents their preferred option for operating and trade rules, restricting grandfathered tags and arrangements for the Lower Broken Creek. Respondents were also given the opportunity to provide reasons for choosing a preferred operating and trade rule and whether there were any changes that would change any of their responses. Responses to the questionnaire have been considered in the summaries below.

3.4 The Operating Rules

Option 1

Traditional Owners, recreational fishing groups, environmental groups, some irrigators in the Goulburn irrigation areas and the Greater Shepparton City Council are in favour of the operating rules under Option 1.

Stakeholders with environmental concerns widely preferred the 940 ML per day flows prescribed by the operating rules under option 1 or even lower flows than proposed, citing concerns for vegetation, insufficient bank drying times causing bank erosion and the potential impact of 6,000 ML per day pulses.

The Environment Victoria’s standalone and coordinated group submission seeks the most environmentally optimal outcomes for the Goulburn River, recommending average base flows between 500 and 1,000 ML per day over summer and autumn, with concerns that flow above this will have unacceptable impacts.

‘In our view, this option [Option 2] may perpetuate unacceptable impacts to the environment’ – Environment Victoria

Traditional owner groups, Yorta Yorta Nation Aboriginal Corporation and Taungurung Land and Waters Council, support option 1 as they feel it provides the highest ecological and cultural considerations.

Both of these Traditional Owner groups are concerned that other options would not deliver optimal environmental and cultural outcomes and have concern about possible impact of the higher 6,000 ML per day pulses proposed as part of option 2 if in-channel irrigation pumps were moved.

Recreational fishing groups also show a strong preference for option 1 or for options that allow for even lower flows, citing both environmental concerns and concerns about access to the river, fast flowing water, the breeding cycles of fish and the inundation of sandbars that are accessible during periods of low flows. We heard that low flows are important for the river's value for fishing, camping and boating and the timing of pulses around peak recreational periods is a challenge. People in this group also expressed concern about the potential impacts of 6,000 ML per day pulses. However, many recreational fishers are generally positive about any proposal to prescribe flows lower than they had seen in recent years. The Victorian Fisheries Authority feel that the proposed flows under option 2 will continue to cause ongoing and irreversible damage to a range of values.

“Although the proposed flow regime represents an improvement vis-à-vis the base case of unrestricted flows and damage seen during 2017-19, the operating rules proposed overtly do not represent the best case for the environment and will continue to pose risks to the environment and a range of associated values.” – Victorian Fisheries Authority

Some irrigators in the Goulburn irrigation areas also supported option 1. For some, their concerns were environmentally motivated as these customers tend to live closer to the river and have seen the direct impacts of consistent high flows. For others they are also concerned with impacts of water leaving the Goulburn Murray irrigation district through trade and feel that option 1 offers some protection by further restricting trade. However, during face-to-face meetings some irrigators with these concerns acknowledged that there are irrigators in the Goulburn-Murray irrigation district that rely on the ability to trade water as part of their business model.

“We should be encouraging investment to come and utilise this infrastructure [GMID]. This can be achieved in the short term by minimising the Goulburn IVT” – Private stakeholder

Greater Shepparton City Council while appreciating that option 2 seeks to balance outcomes of the review stated that they cannot support the option as it is untried and believe it prioritises trade over the best possible environmental outcomes. Rather, they advocate that the most precautionary approach is preferable on a trial basis with less restrictive options to be implemented if monitoring suggests this could be appropriate.

Option 2

Many stakeholders, even amongst those advocating for lower or higher flows than prescribed under the preferred option appreciated that some change is required and option 2 presents a balanced approach to achieving the objectives of the review.

“As a working river there is a responsibility to balance the environment needs with human needs. Option 1 is the ideal situation that science indicates is best for the environment. Option 2 supplies higher flows that would be appreciated by those downstream while the Darling/Baaka flow is unreliable.” – Private stakeholder

There were a number of stakeholders advocating for option 1 that acknowledged that option 2 was preferable to things going back to having no operating rules, as this would result in a negative impact for the health of the river. However, stakeholders also stated that given this is not the recommendation of the scientific panel, a fully considered monitoring program should be put in place to ensure option 2 is producing the expected outcomes.

Moira Shire Council, the Murray River Group of Councils and the Victorian Farmers Federation all supported option 2 as it ensures a low risk of further environmental damage, allows sufficient trade to support irrigators and protects Aboriginal cultural sites.

“Every effort should be made to ensure that the new rules enable existing irrigation in the Victorian Mallee can be supplied with minimal restrictions while protecting the environment of the lower Goulburn River.” – Victorian Farmers Federation

Through face-to-face consultation we heard that many irrigators in the Goulburn-Murray Irrigation District and some Lower Murray Water Irrigators were in favour of option 2, stating that option 2 would provide opportunities for trade and access to water, whilst balancing environmental outcomes.

We heard strongly from many irrigators in the Murray system and industry stakeholder groups advocating for the greater trade opportunity offered under option 3 that they would be comfortable with option 2 if the in-channel pumps in the lower Goulburn River could be moved and greater opportunity to trade through higher pulses were guaranteed.

Environmental water managers, the Commonwealth Environmental Water Office, the Victorian Environmental Water Holder and the joint government Living Murray Initiative either accept or provide tentative support for option 2 as a balance of the needs of all water users. However, these organisations strongly expressed that this support is contingent on the operating rules over summer and autumn not being applied to the delivery of environmental water and strongly said that flexibility for environmental water managers must be allowed for.

“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.” – Murray River Group of Council

Option 3

Industry stakeholders and groups and most irrigators in the Murray system are strongly advocating for the higher trade opportunity provided by the operating flows in option 3, until pumps can be moved and it can be guaranteed that higher pulses can provide additional trade opportunity. These groups had concerns about access to trade opportunity and the impact on water prices for downstream water users.

“The fallout from these changes could be catastrophic in some communities in the mid and lower Murray region when dry/low inflow conditions again prevail, equating to entire irrigation districts being devastated and taken out of production, such is the impact of reduced availability under Option 2.” – Horticultural Peak Industry Group

A joint submission from horticultural peak industry groups stated that option 3 is their preferred option until such time as the financial and economic impacts of reducing trade opportunity on the Lower Murray irrigation industries can be fully assessed and addressed. They also state that option 3 will give time for further environmental studies to be undertaken in the Goulburn River, citing concerns over changes made with only 2 extreme years' worth of environmental impact data.

These groups acknowledge that if higher pulses can provide greater trade opportunity then option 2 could be an attractive option, but are concerned that cost, time to implement and storage of pulsed water may be barriers to implementation and are therefore not supportive until these issues are resolved.

“Option 3 should remain in place until such a time as any possible infrastructure changes on the Goulburn (for instance the pumps being lofted to the high bank or any other infrastructure solution) can be implemented and full delivered to enable pulses of 6GL.” – Horticulture Peak Industry Group

Option 4

There was significant community interest in option 4 during initial consultation, but further analysis has shown that this option presents unacceptable third-party impacts through increased delivery shortfall risks in the lower Murray during the peak summer and autumn irrigation demand period. This option was not presented as a feasible option during public consultation as the risk is considered unacceptable and the third-party impacts that could result from this option do not meet the objectives of the review.

3.5 Two-part allocation trade rule

There was general support for the structure of the two-part allocation trade rule proposed. Many irrigators felt it would provide greater certainty around when trade opportunity was available and felt that this change would be good for the broader water market. Irrigators noted however, that as trade opportunity during the winter-spring rolling limit was heavily dependent on the call out of water, they were concerned as to whether this would be implemented by river operators. We heard that irrigators do not have a clear understanding of when and why river operators decide to or decide not to call out water and there was a strong call for greater transparency around river operations.

Some environmental groups are in favour of how the rule encourages greater delivery of water over the winter-spring period. Others have expressed concern that the potential increase of IVT in this period could reduce the opportunity to deliver environmental water at appropriate times.

The Murray-Darling Basin Authority expressed in principle support for the two-part trade rule, in particular the cap on trade after mid-December, as it would enable the IVT account balance to reduce over the second half of the water year. They also supported the proposal to quarantine the full volume of legacy commitments at the start of the water year and re-assess in mid-December.

3.6 Tagged use restrictions

Long-term restriction on tagged use in line with allocation trade is proposed as a part of options 1 to 3. Interim restrictions on use from tagged accounts have been in place since December 2019. Given this adjustment time, we did not hear strong views against making the current interim restrictions on tagged use permanent.

Those explicitly in support of the long-term restriction on tagged use feel managing transfers of tagged water was an important step in managing flows in the lower Goulburn.

“The unrestricted use of tagged arrangement became a workaround or loophole allowing water users in the Murray to continue using Goulburn allocations” – Victorian Farmers Federation

Grandfathered tags

In general stakeholders were in favour of restricting all grandfathered tags in Victoria. Some irrigators, particularly in the lower Murray region saw value in a longer transition to this restriction, ensuring that holders of grandfathered tags have time to adapt to new arrangements.

Those who were in support of restricting grandfathered tags as quickly as possible said they felt that this provided an unfair advantage to owners of grandfathered tags and undermines IVT rules.

“The world has moved on from when these grandfathering rules were brought in, they are clearly now a problem.” – Survey response

One survey respondent saw the removal of their grandfathered tags as being unfair and felt that they should be compensated should they lose their rights to grandfathered tags.

3.7 Moving in-channel irrigation pumps and 6 GL pulses

In general, we heard support from most stakeholder groups for moving the in-channel pumps in the lower Goulburn River.

We heard strongly from downstream irrigators and peak industry groups that moving the pumps as quickly as possible to allow for greater trade opportunity through higher pulses is integral for their businesses. These stakeholders, however, are concerned about the timelines and feasibility of moving the pumps and operationalising higher pulses and feel they cannot support the preferred option until greater trade opportunity is guaranteed. The horticultural peak industry groups suggested trialling 6,000 ML pulses in the first year prior to moving the pumps as part of testing the feasibility of this option. The Victorian Farmers Federation noted that as higher pulses are a Victorian Government initiative they felt the costs of moving the in-channel irrigation pumps should not be borne by the pump owners.

Environmental water managers are in favour of moving pumps to allow for greater operational flexibility, but some noted that the purpose of this should not be focussed on increasing delivery of IVT and trade opportunity.

“The use of funds for these works should not be used solely to increase summer/autumn flows through the Lower Goulburn” – Goulburn Valley Environment Group

There was general concern from some stakeholder groups, including environmental stakeholders, Traditional Owner groups, some irrigators, recreational fishers and some local governments that pulses up to 6,000 ML per day over the summer and autumn period were not fully assessed by the scientific panel. These groups have concern that pulses at these times, frequency and volumes are untried and could have potential impacts on riverbank health, vegetation, flora, and fauna habitat, and sacred sites. There were also concerns for the impacts upstream of Goulburn Weir with the release of 6,000 ML per day pulses. The MDBA also stated that more work should be done to determine if there are negative impacts from pulses of up to 6,000 ML per day.

We also heard from a number of stakeholders who believe moving the pumps should not be a barrier to operationalising 6,000 ML per day pulses as it is common practice now for environmental managers to release pulses of this volume by notifying irrigators to remove the in-channel pumps prior to a pulse.

“As I write this an environmental flow is heading down the Goulburn from Goulburn weir. From April 24, 6,000 ML a day will raise the river height to 4.1m at Shepparton, reducing to 1,000ML per day, 2.7m high, by May 12. This flow is well below the major flood level of 9.5m at Shepparton.” - Private stakeholder

3.8 Transitional arrangements

Through consultation stakeholders were asked how they think a transitional year should look. There were mixed responses to this question, with some stakeholders saying they would like to see a stepped transition to a new trade rule so that trade opportunity is not zero in the first year. Others thought that implementing the trade rule as proposed from year one was a better approach, so trade is not impacted in following years. These stakeholders felt that if there were a good seasonal outlook for the 2021-22 water year and trade from New South Wales was expected to be available, irrigators could cope without trade opportunity from the Goulburn for one year.

We did hear that implementing a trade rule for the first year that differed from both the current trade rule and the proposed trade rule would be confusing and was not preferable. Consistent with initial consultation, we also heard that rules should not be implemented mid-season due to concerns around how this would impact the water market.

3.9 Monitoring

The overwhelming majority of people, including Traditional Owner groups, local councils, environmental stakeholders, recreational fishers and many irrigators are advocating for a monitoring and reporting program as part of implementation of any Goulburn to Murray operating and trade rule, regardless of the option.

Stakeholders in support of option 2 as a balance of objectives have prefaced this with the need for close monitoring of the river under flows of this volume. As part of this monitoring, stakeholders have advocated for clear triggers for adjustment and review of the river operating rules should the lower Goulburn River not respond as expected.

“As knowledge about the response of managed Victorian rivers to flow interventions remains far from perfect, geomorphological and biological monitoring should be funded as integral component of managing Victorian rivers affected by IVT’s.” – Australian Platypus Conservancy

We heard strongly from environmental groups that they want to see ongoing independent monitoring and scientific assessment to ensure further environmental damage is not seen and there was concern that funding for ongoing monitoring will not be secured before implementation.

“There is no provision for, or funding of ongoing monitoring, scientific assessment and risk management in the recommendations. All are critical requirements to safeguard against further environmental damage.” – Goulburn Valley Environment Group

We also heard that monitoring should include ensuring the risk of elevated river flows should not be transferred to other water ways, such as the Campaspe and Loddon Rivers or the Lower Broken Creek as a direct result of changing the Goulburn to Murray trade or operating rules.

Traditional Owner groups expressed the importance of their involvement in any ongoing monitoring of ecological and cultural values under changes to the trade and operating rules.

“YYNAC would preface this by stating we still think damage will occur to our waterways and welcome the opportunity to be part of an ongoing monitoring program that will report on improvements or decline of ecological and cultural values as a result of the Minister for Water’s final decision.” – Yorta Yorta Nation Aboriginal Corporation

3.10 Other concerns within scope

Flexibility for environmental water management

Environmental stakeholders expressed concern that operating rules may impact the beneficial delivery of environmental water and noted that flexibility to respond to incidents of ecological significance must be maintained under the proposed operating rules. We also heard from these stakeholders the importance of working collaboratively with environmental water managers in the coordination of deliveries through the lower Goulburn.

Other infrastructure options

A number of stakeholders proposed that other infrastructure options such as alternative pathways for delivering or storing IVT should continue to be explored. Some of these stakeholders saw alternate infrastructure as a means of reducing flows in the Goulburn even further than the options proposed and others for delivering more IVT for increased trade opportunity. Infrastructure options that stakeholders mentioned included:

- Campaspe – Wangara Western Channel
- Rochester bypass
- Green’s Lake
- Mid Murray Storages.

“Alternative infrastructure, including retrofitting and expansion of existing irrigation networks (such as the West Waranga Channel and Rochester Bypass) need to be thoroughly investigated and utilised to facilitate the delivery and storage of IVTs.” – Victorian Fisheries Authority

3.11 Other concerns out of scope

We heard from stakeholders on a range of other issues that are related, but not within scope of the Goulburn to Murray trade review. Although these issues are not addressed directly in this report, we recognise that they are important to the community and are listed here as a record of these concerns:

- Delivery risks in the lower Murray
- Delivery rights
- Casual fees for the use of infrastructure
- Development in the lower Murray (Victoria and NSW)
- Victoria’s access to Menindee lakes
- Water availability in the lower Murray
- Capacity of the Barmah Choke
- Bypassing the Barmah Choke
- Fair access to trade opportunity.

4. Lower Broken Creek

4.1 Background

As part of the Goulburn to Murray Trade rule review, irrigators in the Lower Broken Creek were consulted directly on the options for managing trade between the Goulburn River and the Lower Broken Creek. The proposed options for the Lower Broken Creek were included in the RIS and a separate consultation paper was also released, available on the [Engage Victoria Website](#).

The Lower Broken Creek is in the declared Murray water system downstream of the Barmah Choke. The Lower Broken Creek has its own trading zone 6B and local zone 6B entitlements receive Murray allocations. Although the Lower Broken Creek can be supplied through both the Goulburn and the Murray system, in most circumstances water is delivered through a supplement from the Goulburn system, with any shortfall delivered through the Murray if Goulburn seasonal determinations are lower than those in the Murray.

As the Lower Broken Creek is part of the Murray system it is subject to the Goulburn to Murray trade rule but has had a temporary exemption since 2019-20 from the restrictions on tagged use placed on the wider Murray. As a small number of irrigators (Less than 5% of total high reliability entitlement in the Lower Broken Creek) hold Goulburn entitlements tagged for use in the Lower Broken Creek due to historical supply arrangements, this temporary exemption was in place to prevent these entitlement holders from being restricted while long-term options were explored.

The long-term option proposed was for the Lower Broken Creek to:

- a) Have the same rules for allocation trade from the Goulburn as the rest of the Murray
- b) Give all eligible entitlement holders with Goulburn entitlements tagged to the Lower Broken Creek the opportunity to exchange them for local Murray entitlements
- c) Have system-specific tagged use restrictions that are different to those for the wider Murray; allowing unrestricted tagged use through winter and spring and tagged use restricted in line with allocation trade for water traded from the Goulburn to the Murray system during summer and autumn.

4.2 Consultation snapshot – Lower Broken Creek

One Lower Broken Creek specific webinar and **one online question and answer session** was held, and the recording of this webinar was made available on the [Victorian Water Register website](#).

Eight group face-to-face sessions were held specifically with Lower Broken Creek irrigators and the options for the Lower Broken Creek were also discussed in most other online and face-to-face presentations, particularly those held in the Goulburn-Murray Irrigation District.

Thirteen email submissions were received specifically in regard to the options for the Lower Broken Creek and a number of others provided feedback in their broader submissions.

4.3 What we heard – Lower Broken Creek

Lower Broken Creek to remain on the Murray side of the Goulburn to Murray trade rule

As the Lower Broken Creek is currently on the Murray side of the Goulburn to Murray trade rule, we did not hear strong opposition against this continuing. For the majority of Lower Broken Creek irrigators who hold local zone 6B, this means no change to their entitlements, which we heard was important during the first round of consultation in 2020.

We did hear from a smaller number of customers who rely on allocation trade from the Goulburn through tagged accounts who were concerned about having to access Goulburn allocation trade under the Goulburn to Murray trade rule, like all other Murray water users, if tagged use were to be restricted for part of the year.

Opportunity to exchange Goulburn tagged entitlements for local 6B Murray entitlements

Generally, the Lower Broken Creek customers were in favour of the opportunity to exchange their Goulburn tagged entitlements for local zone 6B Murray entitlements, as it would mean that there would never be any restrictions placed on the use of these entitlements as they would now hold local zone 6B entitlements.

However, a small number of Lower Broken Creek irrigators holding eligible tagged entitlements, stated that they would prefer the opportunity to use from tagged accounts all year round over the opportunity to exchange these entitlements.

Lower Broken Creek irrigators who did not hold eligible tagged entitlements, especially a number using from tagged accounts without permanent Goulburn entitlements tagged for use in the Lower Broken Creek, expressed that as this exchange would not apply to them it was not meaningful over access to year round tagged use.

Seasonal tagging rule for the Lower Broken Creek

We heard strong opposition to restricting tagged use in line with the Goulburn to Murray allocation trade rule for any part of the year from irrigators in the Lower Broken Creek and local government. We heard that irrigators in the Lower Broken Creek felt they would be too restricted if tagged use were restricted for part of the year as trade into the Creek is already subject to both the Goulburn to Murray trade rule and the Barmah Choke trade rule. They felt that this aligns the Lower Broken Creek with trading zone 7, competing for trade of local zone 6B allocations and higher cost zone 7 allocations, which would be unviable and not reflective of the unique supply arrangements of the Creek.

Lower Broken Creek irrigators who rely on allocation trade through tagged accounts expressed concern with having to access Goulburn allocation trade under the Goulburn to Murray trade rule, like all other Murray water users, over summer and autumn. We heard from a number of irrigators who were concerned this would devalue farming along the Creek.

“Farms would become unviable as water costs representative of the zone 7 area” – Lower Broken Creek irrigator

Whilst generally irrigators in the Lower Broken Creek understood the types of risks associated with unlimited tagged use and unrestricted trade out to the wider Murray, they felt the proposed tagged use rules were too conservative to manage these risks. We heard clearly that irrigators in the Lower Broken Creek want to see risks quantified and any proposed changes made must be based on this assessment.

Irrigators in the Lower Broken Creek felt that as the Lower Broken Creek was successfully being used to deliver Lower Broken Creek water for trade and use plus tagged Goulburn water, in addition to some Goulburn to Murray IVT, there is no indication that there is a current risk to delivery capacity on the Creek. Irrigators in the Lower Broken Creek expressed a preference for doing nothing unless use and trade caused capacity issues in the future.

“Broken Creek is used to transfer both Murray and Goulburn water efficiently and to that extent irrigators on Broken Creek should have the benefit, up to their delivery share.” – Lower Broken Creek irrigator

Other concerns

Some irrigators in the Lower Broken Creek are concerned that high flows have caused bank undercutting and trees to fall in along the Creek and are advocating for monitoring to continue to ensure bank stability.

We heard from irrigators in the Lower Broken Creek who would like to see a mechanism in place for charging for the use of GMID infrastructure for the transfer of Goulburn to Murray IVT.

Although irrigators in the Lower Broken Creek appreciated that trade from the Murray above the Choke to the Lower Broken Creek was out of scope of the Goulburn to Murray trade review, irrigators noted that the application of the Barmah Choke trade rule to the Lower Broken Creek was something they would like to see reviewed in the future.