

Goulburn to Murray Trade Rule Review
Department of Environment, Land, Water and Planning
PO Box 500
East Melbourne, Victoria 8002

Re: Proposed Constraints on Goulburn Valley IVT

This submission is presented on behalf of the major horticultural industries located along the Murray from Swan Hill to the South Australian border being: Almonds; Citrus; Table Grapes; Wine Grapes; Dried Grapes; Olives; Summerfruit; and Pistachio. These industries contribute \$2 billion in direct revenue to Victorian producers and have a far greater economic benefit to the river communities, the state and the nation.

As a united grouping of industry representative bodies, we oppose the proposed changes to inter valley transfers from the Goulburn.

The expansion of high value horticultural permanent plantings below the Barmah Choke has occurred based on the water market facilitating the movement of water between valleys and use by industries, as an outcome of legislation and policies agreed on by successive State governments. This has supported both new and the many established farming businesses that have had water use licenses approved by the Victorian government and come with the expectation that water will be delivered in a timely and reliable manner.

In recent times, drought and the buyback of water for the environment have diminished available water for irrigation purposes and the uncertainty of the States delivering the efficiency projects needed to avoid further buybacks is compounding concern amongst irrigators about the future.

We understand that the socio-economic impacts of the Murray Darling Basin Plan will impact communities and industries differently but changes to trading rules must be fair and have a sound basis.

Whilst in years of high water allocations, water movement from the Goulburn Valley to higher value permanent plantings is not as crucial, but in years of drought when producers typically experience low water allocations, water deliverability and availability is absolutely essential and inter valley trade is a critical component. In future, if the proposed trade restrictions come into being, the productive base of permanent plantings will be seriously jeopardised.

In the challenging post pandemic economic circumstances to be faced by our State and communities it will be important that valuable resources, such as water, deliver optimal returns. The proposed trade restrictions will stifle this.

We urge that instead of progressing with the inter valley trade restrictions, other solutions, be thoroughly pursued to facilitate the movement and storage of water, whilst minimising any additional environmental damage to that which occurs naturally

Infrastructure projects such as bypassing the Barmah Choke and water storage closer to horticultural production regions in the Murray Valley would allow more controlled flows, particularly important due to the Bureau of Meteorology's limited current capacity to predict severe heat events in the lower Murray regions with sufficient timeliness for measured release of needed consumptive water.

On 4 August, 2019, the Murray Darling Basin Ministerial Council agreed to appoint an independent panel of experts to peer review the River Murray Capacity and Delivery Shortfall Project that was at the time and may still be being undertaken by the MDBA. The Executive Summary of the peer review states:

"The Capacity and Delivery Shortfall Project was developed in response to a growing concern within governments and communities that, over time, the risk of the River Murray system (RMS) not being able to meet all system and delivery demands was increasing. The Independent Panel for Capacity Project Review in undertaking the review considered that the work program should be designed to ensure that it could provide governments with adequate information on all key issues relating to the risk and management of system and delivery shortfalls to enable them to make robust, evidence-based decisions on options for the future management of shortfall risk."

The Panel's Finding 1. was "The Capacity and Delivery Shortfall Project work plan is appropriately focused on the identification of factors affecting the risk of system and delivery shortfalls within the River Murray system and the investigation of management options to alleviate that risk".

It is reasonable that that the River Murray Capacity and Delivery Shortfall Project should be completed and the model and report from that project be made available for consideration by those affected before such significant changes to prior custom and practice on inter valley transfers is implemented.

Importantly, the Panel made the following detailed recommendation "*on where additional work was required to improve the current process, enable appropriate evaluation of management options and provide greater confidence in the analyses. These included the following:*

Understanding the risk of system and delivery shortfalls in the current system (Section 2.1).....

2. Request Victoria and New South Wales to Investigate the significance of environmental issues in the Lower Goulburn and Murrumbidgee Rivers and their implications for system capacity – this includes identifying potential summer-autumn flow regimes that could minimise environmental damage whilst facilitating inter-valley transfers in the Lower Goulburn River.....

Understanding impacts of system or delivery shortfalls for consumptive and environmental entitlement holders (section 2.3)

4. Undertake detailed work on impacts and duration of a water deficit at different points in the growing season for a variety of crops taking into consideration variations in soil type across the major river reaches."

In the second paragraph on page 14 of the Panel's report it refers to work that Agriculture Victoria has been doing on the economic impacts for consumptive users with permanent plantings.

"This work is currently in progress and needs careful scoping to ensure that it will be credible to irrigators. Such work will need to be quite detailed with attention given to the within season water requirements of different permanent plantings and to the impacts and duration of a water deficit at different points in the growing season such as flowering, fruit set or fruit maturity. To add to the complexity, the main crops of grapevines, nuts and citrus do not have synchronized growing seasons..."

The currently proposed constraints on monthly flow rates, and related documentation, associated with Goulburn Valley intervalley transfers demonstrate no obvious or relevant reference to the report of the independent panel 's review of the River Murray Capacity and Delivery Shortfall Project. More specifically, little reference appears demonstrated regarding the observation ---"*This work is currently in progress and needs careful scoping to ensure that it will be credible to irrigators."*

As the representative bodies for irrigators we call for postponement of changes that will impact on deliverability of water to crops at critical times of production until these reports are made available during a consultation phase.

To progress without such consultation on the Agriculture Victoria study, when deliverability is obviously a concern to the broader Victorian government, is a flawed process. This adds to the concerns already held regarding the DELWP Goulburn IVT consultation process being conducted during the current pandemic upheaval.

In circumstances, where the current annual water use by Victorian Murray irrigators is around 600 gegalitres a year and there is no allocation to NSW general security entitlements, the impact of the proposed changes is calculated to be a shortfall of between 60 to 160 gegalitres or 10% to 26% of current requirement by permanent horticultural crops.

Depending on the timing of the shortfalls in delivered water, the impact on crops will be on both yield and quality of produce, not to mention the cost of water increasing as a consequence of the reduced volume available for irrigators to acquire. These factors will lead to hardship amongst previously viable farming businesses and industry adjustment that will likely lead to a reduced diversity of crops.

As bodies representing Victorian nut, wine grape, table grape, dried grape, citrus, summerfruit, and olive industries we reject all three options put forward and call for a more thorough and comprehensive solution to water deliverability issues that takes into account the studies of the MDBA and Agriculture Victoria, varying seasonal demands of inter valley transfers, pulsing flows in the Goulburn to reduce environmental impacts and infrastructure options within the Murray system.

With potentially more water availability for the coming irrigation season from the Murray storages there will be a reduced demand from the Goulburn that will allow adequate time for further consideration and face to face consultation on a comprehensive solution that addresses both environmental and economic needs of irrigators and communities on the Goulburn and Murray.

The Victorian government has acted responsibly to limit the approval of new water use licenses recognizing the risk created to existing irrigators by previous approvals and we seek similar sound, unbiased action on inter valley trade restrictions.

Yours sincerely,

Peter Hayes

Chair - Almond Board of Australia on behalf of the following industry bodies:

