

CENTRAL IRRIGATION TRUST

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Goulburn to Murray Trade Rule Review
Department of Environment, Land, Water and Planning
PO Box 500
East Melbourne Victoria 8002
30/03/2021
Emailed to water.markets@delwp.vic.gov.au

As a South Australian Irrigation Infrastructure Operator we are extremely concerned about the operation and proposed changes to the Goulburn Inter Valley Trade arrangements. Of particular concern is the third party impact this is having and will continue to have on Lower Murray irrigators and communities.

Both the Victorian and NSW governments have allowed IVT trades between the Murrumbidgee, Goulburn and Murray Rivers to exceed their current limits over several years with the Goulburn IVT exceeding its limit in 2014/15, 2017/18, 2018/19 and 2019/20.

These government actions supported unfettered development to occur downstream of the Murrumbidgee and Goulburn Rivers with significantly more consumptive water now required than was historically used for these areas.

Preferred Option 2 as detailed in the Regulatory Impact Statement (RIS) could see a deficit of 105 GL in trade opportunities to the Murray System when compared to the Base Case. The RIS states that this would remain for use in the Goulburn system. We consider this a trade barrier and against of the Water Act and the Basin Plan. The impact on downstream users is cited as follows, "There will likely be increased water market competition in the Murray system, which is expected to result in higher water prices in the Murray. This would make it more costly for Murray water users that rely on water allocation purchases to meet their water requirements and can be offset by water availability from the other parts of the connected southern Murray Darling Basin." At the same time these same communities are being informed of deliverability risks from these other areas.

The Victorian Government policy allowed for unfettered development in the Lower Murray. The resultant developments were given approval by the Victorian Government and the Goulburn IVT was instrumental in supplying the subsequent increase in demand for water from the new developments. The Victorian Government must now take responsibility for the issue they have created by their previous decisions and resolve the environmental issues they have identified by means other than simply restricting delivery and impacting on the downstream communities. It could be contended that the National Water Initiative Risk Assignment Framework would see such impacts as compensable.

Ownership of past policy mistakes made by the Victorian Government should now see it undertake infrastructure works eluded to in the report to alleviate the current environmental issues in the Goulburn River and instigate policies that will not see a repeat of the current issue.

**Managers of the grower owned
Berri, Cadell, Chaffey, Cobdogla, Golden Heights, Kingston, Loxton, Moorook, Mypolonga,
Sunlands, and Waikerie Irrigation Trusts Inc. and the Lyrup Village Settlement Trust Inc.**

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Other infrastructure works not mentioned in the paper could easily alleviate problems identified in the report. On such example is cold water pollution form Eildon Dam which is an issue with any bottom offtakes from dam or weir infrastructure. An investment to modify the intake to be a surface water offtake which mimics natural flow would be a more appropriate solution and provide wider environmental benefits to the whole system.

The science presented in the paper is also very qualitative and most likely using the precautionary principle as is currently the norm for science in the water arena.

The economic analysis is built on the value of water only and not the opportunity cost of the revenue lost or the value of lost production as a result of long term delivery shortfalls introduced by these proposed new operating rules. However the economic benefits outline by the value of the recreational fishing industry are the total economic value to the region which is not a just comparison. The report states that option 3 provides an economic benefit of \$46 million (mid-range) over Option 2 with no further environmental degradation and some remedy of the recent environmental impact. This appears to be a more equitable option for all involved when assessing economic, social and environmental outcomes.

In the view of downstream communities it is incumbent on the Victorian Government to minimise the financial impacts on our communities. In the case of the RIS, Option 3 should be the only one considered and that option should include the lifting of pumps immediately in the Lower Goulburn with higher monthly pulses instigated in the first year of the new regime. The pulses could be coordinated to minimise the impacts on recreational use and amenity of the region.

As a downstream water user and community relying on the Lower Murray for its prosperity the impacts of higher water prices resulting from your proposed policy change is untenable.

Yours Sincerely,

A handwritten signature in black ink that reads 'Gavin McMahon'.

Gavin McMahon
Chief Executive Officer

[Redacted signature block]

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