



## **Submission from Dried Fruits Australia, Almond Board of Australia, Australian Table Grape Association, Murray Valley Winegrowers, Citrus Australia, Summerfruit Australia, Pistachio Grower Association**

### **Goulburn to Murray Trade Review**

#### **Combined Peak Industries Response to Recommended Option 2 as presented in the Regulatory Impact Statement**

The above combined horticultural peak industry bodies provide the following submission to the Goulburn to Murray Trade Review – assessing changes to trade, tagging and operating arrangements.

Dried Fruits Australia (DFA), Murray Valley Winegrowers (MVWI), Almond Board of Australia (ABA), Australian Table Grape Association (ATGA), Citrus Australia (CA), Summerfruit Australia (SAI) and Pistachio Grower Association (PGAI) provide the following commentary and questions in regard to the DELWP preferred Option 2 as discussed in the Goulburn to Murray Trade Review Regulatory Impact Statement. These industries have an estimated regional output of \$4.2 billion per annum and directly employ a significant number of permanent and seasonal workers, with indirect employment flowing on to other regional and urban communities. Primary industry is a key economic driver of this region.

Whilst acknowledging the importance of limiting impacts on environmental and cultural heritage assets across all river systems, there are a number of considerations that must be addressed by Government prior to changing operating and trade rules in the Goulburn River. We note that the environmental study spanned just two years; these were two of the driest years on record.

After studying all of the options as presented in the Regulatory Impact Statement, the preference of the peak industry bodies named, representing permanent horticultural irrigated industries in the Victorian Lower Murray is for Option 3 as:

- it enables variable base flows of approximately 1300 ML/day with monthly pulses of up to 3000ML/day over Summer and Autumn which are peak demand times for the impacted horticultural industries. According to examples provided by the Government, the Option 3 delivery limit over Summer-Autumn would be 250GL compared to only 190GL in Option 2 and the average annual IVT delivery would be 330GL for Option 3 compared to 270GL in Option 2.
- Option 3 is the preferred option until such time as the financial and economic impacts on the Lower Murray irrigation industries can be fully assessed and addressed; it will also provide time for further environmental studies to be undertaken in the Goulburn;
- Option 3 should remain in place until such time as any possible infrastructure changes on the Goulburn (for instance the pumps being lifted to the high bank or any other infrastructure solution) can be implemented and fully delivered to enable pulses of 6 GL.



Option 2 with 6GL was sold to industry as an attractive option however, we have concerns that:

1. The pump study will not be feasible due to high cost, difficulty meeting cultural and other concerns.
2. If it is successful it will take many years to implement.
3. How do growers access water that has been pulsed at the wrong time? (stored)

The Victorian Government recognises economic drivers that has enabled, encouraged and approved further permanent horticultural development in the Victorian Lower Murray over the last twenty or more years and producers have invested significantly and planted in good faith. Government mantra has been that water goes to the highest value crop. This has meant that water allocations have moved to the Lower Murray and that there is a greater demand during Summer and Autumn months– thus Option 2 decreasing the water volume and pulses is jeopardising Victoria’s own New Irrigation Development initiatives as well as the associated employment opportunities.

At this point in time, only Option 3 allows for further flexibility for water availability in peak Summer months, when demand for irrigated permanent plantings is high. The industries involved in responding to the review would suggest that DELWP trial higher water pulses under Option 2 whilst exploring the relocation of pumps to the higher bank.

### **Socio-Economic Value Assessment**

A comprehensive socio-economic analysis on the impacts of less water to irrigated permanent plantings in the Lower Murray being available from the Goulburn in low inflow years, must be completed prior to any change in Goulburn trade or operating conditions. The Lower Murray in this context is defined as irrigation regions in NSW and Victoria from below the Barmah Choke to the SA border and incorporates the Riverland of South Australia.

In drought/dry inflow years the Goulburn River has been an integral part of an operating solution to meet Murray extraction demands over peak Summer periods for permanent irrigated crops which have a combined value of an estimated \$4 billion, including a major export value for Victoria and employment opportunities (both permanent and seasonal). The Victorian component of this is estimated at \$3 billion Gross Regional Output (*Mildura Regional Development & Swan Hill Rural City Council – REMPLAN reports*).

Currently, the proposed new operating and trade rules for the Goulburn River are based on only two years of environmental impact data. Those two years saw some of the driest low inflow conditions across the Murray Darling Basin, where water from the Goulburn was essential for the survival of irrigated permanent plantings in the Lower Murray. In the review, it remains unclear how this amount of water will:



- be replaced when (not if) the same situation of low inflows and extreme heat conditions occur in the future and how this will be addressed.

According to the *Aither Final Report: Water Supply in the Southern Murray-Darling Basin (2020 Update)* Lower Murray permanent horticulture requires water volumes of 1315 GL/year up to 1480GL/year or more:

*“In an extreme dry year water demand from existing permanent horticulture in the Lower Murray at full maturity may outstrip within-region supply by two and a half times; estimated demand of 1247GL vs estimated supply of 498 GL.”*

*“ This will need to be met through carryover and trade of water into Lower Murray – this is likely to have serious implications for irrigated industries in connected water trading zones”*

*“...coming on stream and at maturity, the total estimated water demand from permanent horticulture in the Lower Murray would be up to 1414 GL/annum vs estimated supply of 498GL – outstripping by three times within-region supply. “*

### Annual Extraction

Annual extraction volumes of water between the Choke and South Australia haven’t changed however deliverability is the key in ensuring permanent horticultural plantings receive their required amounts of water at critical times. The joint peak industry bodies identified issues with Option 2 as follows:

- **The government has not adequately explained how the operating rules in the preferred Option 2 (1100ML/day with 3 pulses of 3000 ML/day) will impact water availability and deliverability in Summer for permanent irrigated horticulture in the Lower Murray - which is a time of high demand with peaks during heat waves.**
- Clear and concise comparisons need to be addressed between Option 2 and Option 3 showing water availability over Summer when low inflow conditions arise, and further consultation with irrigators in the Lower Murray must be considered; namely how will irrigators access stored water?
- In the years when Lower Murray irrigators have issues with Menindee storages and the Murrumbidgee River (lack of water/drought/extreme heat), will there be a commitment to relax the rules in order to sustain development downstream of the Choke:
- Climate change models consistently predict more hot dry summers in the Lower Murray leading to an increased demand for water for permanent irrigated horticulture in these regions.



### Infrastructure Solutions

At this point in time our industries think it is unlikely that the proposed 6GL pulses can be delivered owing to the requirement to relocate more than 70 private diverter pumps on the Goulburn River to the high bank due to:

- Cost of and commitment to incentives by Government
- Commitment to deliver water in the RIS
- Lack of current evidence that the proposed solution (relocation of pumps) is efficacious
- Correspondence from Better Regulation Victoria dated 11 March 2021 indicating that DELWP has committed to a review in three years' time and suggesting that there may be a need to move towards even lower inflows.

DELWP commits to a review in three years' time, to determine whether the lower Goulburn River may be able to tolerate greater flows, or whether there is a need to move towards lower flows.

Our industries request Government to consider:

- Other infrastructure solutions that can be considered and delivered in a cost-effective manner to enable 6 GL pulses; and
- Consideration of higher base flows until 6 GL pulses are achieved.

### Murray Darling Basin Authority (MDBA)

**Is there an override clause built in to these proposed rules that if the situation in the Lower Murray deteriorates even further (drought, lack of water in Menindee Lakes or Murrumbidgee River) Goulburn water can be called in by the MDBA as the river operator, for higher flows to meet Lower Murray demand and preserve crops?**

Additionally, our industries were informed that trade from the Goulburn will still be permissible at relevant times, ideally through Winter/Spring period according to DELWPs information provided at RIS consultation meetings. It seems that Goulburn water will merely be traded into Murray account holders in accordance with this DELWP proposal, and the deliverability issue for the summer period will become the river operator's responsibility and subsequently, their problem.



Ongoing developments in NSW and SA will further erode the availability of water resources in the Murray and our united industries strongly request the Victorian Government engage fully with their interstate counterparts to obtain a more balanced and objective outcome for all concerned.

**Conclusion:**

Dried Fruits Australia (DFA), Murray Valley Winegrowers (MVWI), Almond Board of Australia (ABA), Australian Table Grape Association (ATGA), Citrus Australia (CA), Summerfruit Australia (SAI) and Pistachio Grower Association (PGAI) believe the Victorian Government, in collaboration with industry, needs to consider a wider basin perspective when assessing the proposed Goulburn Inter Valley Trade review. The Goulburn is not a stand-alone resource; it needs to be assessed as an integral part of an entire water system strongly associated with supply for Murray Valley irrigation. This is good governance and clear and ethical behaviour as per the Victorian Government’s guidelines.

The proposed Goulburn to Murray trade changes are not just numbers on a whiteboard, but peoples’ and communities’ livelihoods and wellbeing. 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 water availability under Option 2.

Our industries are mindful of environmental and cultural heritage impacts, but until the relocation of pumps to the high bank are in place to facilitate the surge flows of Option 2, we have no alternative than to support Option 3.