

Goulburn Murray Irrigation District (GMID) Water Leadership

Submission to Department of Land Water and Planning

“Goulburn to Murray Trade Review”

May 2021

GMID Water Leadership Forum

Community Economy Environment

Goulburn Murray Irrigation District E: info@gmid-waterleadership.org | W: www.gmid-waterleadership.org

Goulburn Murray Irrigation District (GMID) Water Leadership

GMID Water Leadership was established in late 2015 to provide a strong voice on water security for the Goulburn Murray Irrigation District in northern Victoria. Its members include leaders in the dairy, horticulture and cropping industries; local government; food processors; natural resource managers; community and business groups.

It is co-chaired by Suzanna Sheed, independent member for Shepparton and David McKenzie, local agri-valuer and chair of the Goulburn Regional Partnership and the Regional Development Advisory Committee to the Victorian Government.

GMID Water Leadership can be contacted on info@gmid-waterleadership.org, or directly via our co-Chairs;

- Suzanna Sheed

Suzanna.sheed@parliament.vic.gov.au

- David McKenzie

David.mckenzie@opteonsolutions.com

GMID Water Leadership Forum

Community Economy Environment

Introduction

The Goulburn Murray Irrigation District (GMID) Water Leadership welcomes the Department of Environment Land, Water and Planning's Goulburn to Murray Trade Review.

The: Leadership Group has lobbied strongly over recent years highlighting the damage along the Goulburn River due to supplying increased demands in the Murray from the Goulburn.

Sustained high flow rates during times when flows would be naturally low (i.e. over summer and autumn), together with limited variability of flow rates, has seriously damaged the lower Goulburn River, causing considerable concern for Aboriginal Victorians, recreational river users and environmental water managers. These unseasonal high flows have prevented plants from growing along the river's edges and banks, causing significant riverbank erosion and reducing habitat for native fish and animals.

The delivery of traded water from the Goulburn to the Murray has exceed the ecological tolerances of the Goulburn River. New river operating rules are urgently needed to protect the environmental values of the lower Goulburn River.

The Leadership Group is strongly supportive of ensuring the rules governing Inter Valley Transfers (IVT), river operating rules and water trading rules work together to protect the lower Goulburn River and provide certainty to irrigators.

In considering the proposals the Leadership Group recognises that the Goulburn is a "working river" and that environmental, social and economic values needed to be balanced. However, it does believe that the environmental damage done by the high summer flows in recent years is unacceptable.

The Status Quo cannot remain:

In the past regulated summer flows in the lower Goulburn were limited to no more than 3000 megalitre (ML) per day to prevent damage to in-river pumps. This limit was rarely met because large volumes of water from the Goulburn were not needed to supply the Murray. No consideration was given to ensuring a healthy river. Recent experience has shown that the 3000 ML per day limit is no longer fit for purpose.

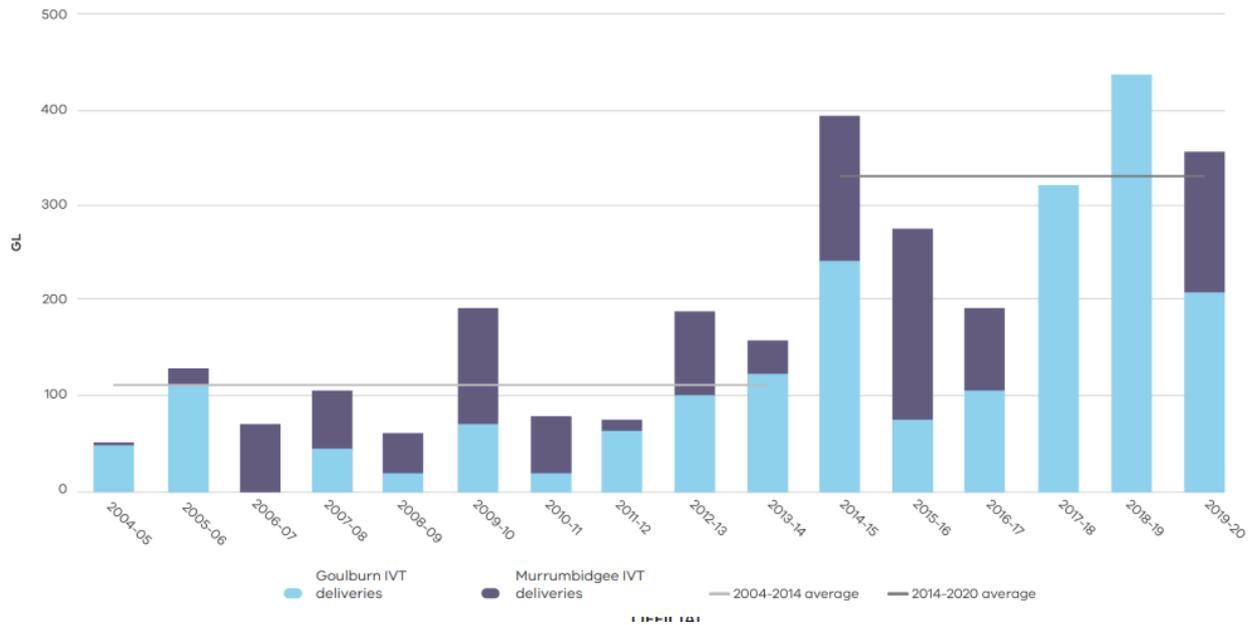
Deliveries from both the Goulburn and Murrumbidgee to the Murray have increased since water was recovered under the Basin Plan and there has been a much greater reliance on the Goulburn in recent dry years (see graph below).

High summer and autumn flows in the lower Goulburn to supply the Murray River have caused significant environmental damage.

GMID Water Leadership Forum

Community Economy Environment

Goulburn Murray Irrigation District E: info@gmid-waterleadership.org | W: www.gmid-waterleadership.org



The Leadership Group does not want this disproportionate trade of water out of the Goulburn River to continue.

DELWP Options:

The Leadership group acknowledge the need for compromises in reaching a preferred option. However, the Leadership Group believes further information is required before it can support any option, particularly DELWP's preferred Option 2..

Our region's stakeholders are concerned about the impact of 3x6000 megalitre/day pulses and greater information is required on the duration of these pulses. The group is seeking clarity that any flows above 3000ML/day will be supported with clear changes to operating rules (modifying trade rules alone will not fix the existing problems), and that 6000ML/day pulses are the subject of a trial and review period.

The large pulses are only possible if private pumps are raised along the river. The costs of raising these pumps and any further on-going costs should not have to be met by irrigators, natural resource managers or water authorities given this is a Government implemented reform.

The Leadership group is supportive of a summer/autumn fixed cap to avoid damaging the Goulburn during this period.

Review Panel:

The Leadership Group believe a joint scientific and community-based panel be formed to actively monitor impacts and outcomes, whatever the final option. This panel should also have Traditional Owner representation. There must be transparent and robust reporting of outcomes and impacts. The Leadership Group is requesting the Victorian Government allow sufficient funds be made available to assess how the rule change works over time.

GMID Water Leadership Forum

Community Economy Environment

Goulburn Murray Irrigation District E: info@gmid-waterleadership.org | W: www.gmid-waterleadership.org

Tagged Water Use:

Clause 12.23 of the Basin Plan creates an exemption from the IVT for tagged water accounts that were established prior to 22nd October 2010. This means irrigators who had dual accounts prior to 2010 are able to push IVT accounts beyond their upper limits which can cause third party impacts and environmental damage.

Despite efforts by this review to restrict tagged water use with trade limits, entitlements owned prior to 2010 will still be exempt from this proposed rule due to Clause 12.23.

The ACCC in its review of Water Markets recommended that “removing the exemption in the Basin Plan water trading rule 12.23 for ‘grandfathered’ tagged water access entitlements, because it affords a small number of market participants an inequitable exemption from restrictions on intervalley trade¹” (Pg 37).

The Leadership Group supports the proposal to remove the current unfair anomaly with tagged water entitlements by including water from these entitlements as allocation trades. The related proposal to remove the anomaly in the Commonwealth’s *Basin Plan Act (2012)* that allows these trades to continue is also supported.

Limiting Development:

The Leadership Group welcomed Minister Neville’s announcement in 2019 to call in all developments in the Mallee.

The Leadership Group has long held the view that water cannot continued to be traded out of the Goulburn Murray Irrigation District and the impacts ignored. Further steps must be taken by other States to also limit their development rather than Victoria operating in isolation.

The Leadership Group are supportive of the Victorian Government exploring ways to encourage new irrigation developments in the Goulburn Murray Irrigation District, particularly above the Barmah Choke.

Increased Pressure on the Goulburn:

The recovery of additional environmental water under the Murray Darling Basin Plan has reduced the volume of water available for irrigation downstream of the Barmah Choke, thus placing increased pressure on the Goulburn and Murrumbidgee rivers over summer and autumn. The increased pressure of environmental deliveries and irrigation demands has resulted on a greater reliance on the Goulburn.

Pressure on water availability in the Murray system has also been driven by extreme drought in New South Wales with the Darling system not contributing to the Murray since late 2017, placing more pressure on southern catchments.

Less frequent access to Menindee Lakes to supply Murray demand downstream of Wentworth has placed greater pressure on the Goulburn River. In the 1990’s Menindee supplied half of South Australia’s summer entitlement flow 44% of the time, but since 2009 has only supplied it 19% of the time.

¹ <https://www.accc.gov.au/system/files/Murray-Darling%20Basin%20water%20markets%20inquiry%20-%20Final%20report.pdf>

Members of the Leadership Group recently travelled to the Northern Basin and saw first hand the inequities in water management.

The Leadership group urges the Victorian Government to actively participate in measures to control floodplain harvesting in the Northern Basin and enforce the diversion levels at the time the Cap was implemented in 1996. Victorian water users must not be disadvantaged by the increases in take the Northern Basin since then.

Acknowledging our Rivers Natural Constraints:

While the Goulburn and Murray Rivers are working rivers in the Basin, it is important their natural constraints are respected. Calls to bypass the Barmah Choke are not supported by the Leadership Group.

The GMID Leadership Group do not believe a Choke bypass is necessary. Horticultural development downstream has already reached its limit and a bypass is not required. Allowing unsustainable development past the Choke will damage the Basin's reputation as a safe place to invest and risks a boom/bust cycle for irrigated agriculture.

Our independent research shows that short term development resulting from a Choke bypass may initially increase horticultural production in the connected Murray by 25%, but this would be at the cost of the dairy industry reducing by 40%. However, in the longer term any such increase in horticulture production would be reversed with catastrophic failure whenever the next drought occurred as the sector (unlike dairy) requires water every year and does not have the capacity to vary its use between years. Future droughts and lower inflow are being highlighted as significant risks by the CSIRO and this is currently being monitored by the Murray Darling Basin Authority.

Broken Creek Reforms:

The Leadership Group acknowledge that the Lower Broken Creek is part of the declared Murray system. Almost all entitlement holders on the Creek hold Murray water shares, although a small number (~1000ML) hold Goulburn Water shares as a result of decisions at the time of unbundling in 2007. Lower Broken irrigators were granted a temporary exemption in December 2019 to use water from tagged Goulburn account year-round, while other Murray irrigators are restricted in line with the Goulburn IVT rule.

DELWP is proposing to replace this year long tagging exemption with a system specific tagging rule that would mean irrigators on the Lower Broken Creek could trade in Goulburn water without restriction between July and November, but trading Goulburn water would be subject to the Goulburn IVT rule from summer onwards in line with the Goulburn to Murray trade rule. They would be able to trade Murray allocations in zone 6 over the summer period. However, it should be noted that the irrigation season does not commence until August 15.

The Leadership Group believe there is still confusion about the proposed Broken Creek reforms. Some people believe that the lower Broken Creek irrigators will be severely disadvantaged. Others believed the rule is simply designed to reserve available capacity in the lower Broken system to transfer water around the Barmah Choke to the Murray.

The Leadership Group's clear position is that it will not support changes in the lower Broken Creek that significantly disadvantage the lower Broken Creek irrigators or are designed to reserve the capacity of the Creek for deliveries to the Murray.

GMID Water Leadership Forum

Community Economy Environment

Goulburn Murray Irrigation District E: info@gmid-waterleadership.org | W: www.gmid-waterleadership.org