



## How does the new interim Goulburn to Murray trade rule work?

### Why is there a new interim trade rule?

The Victorian Government recently introduced new interim operating and trade rules that build on the operating arrangements over the last two years.

The new trade rule for 2021-22 aligns trade opportunity to what can be delivered under new interim operating rules, which aim to prevent further damage occurring to the lower Goulburn River from prolonged high flows over summer and autumn.

### What is the new interim trade rule?

The trade rule is a **two-part rule** that will be in effect from 1 July 2021 to 30 June 2022. The two-part trade rule applies to trade from the Goulburn, Loddon, Campaspe and Broken to the Victorian Murray and interstate and replaces the existing 200 GL rolling limit that has applied year-round.

#### Part 1: Winter-spring rolling limit

From 1 July, trade will be possible whenever the balance of the Goulburn inter-valley trade (IVT) account is lower than the new limit of 190 GL.

#### Part 2: Fixed summer-autumn cap

On 15 December, net trade will be capped to enable the IVT account balance to be drawn down over the rest of the year.

The new limit reflects how much water can be delivered over summer and autumn under interim operating rules so that trade to the Murray doesn't exceed what can sustainably be delivered each year.

### How does the new interim trade rule work?

- **On 1 July** 100% of allocations against legacy commitments<sup>1</sup> (around 140 GL) is set aside or 'quarantined' – this is to prevent the amount

the Goulburn owes the Murray exceeding what can sustainably be delivered over summer.

- **From 1 July to 15 December** the winter-spring rolling limit is in place and like the current rule, trade opportunity will be created each time river operators deliver water from the Goulburn to meet traded demands in the Murray.
- **On 15 December** the summer-autumn trade cap is announced. This is the volume of net trade available from 15 December to 30 June.
- In dry years when Goulburn high-reliability allocations are not projected to reach 100%, some of the water quarantined earlier to meet legacy commitments can now be released to the market as part of this summer-autumn cap.
- **From 15 December to 30 June**, while the summer-autumn cap is in effect, further trade opportunity will not become available as river operators deliver more water to the Murray. Instead, the IVT account balance will be drawn down so that more trade is available on 1 July the following year.
- Back-trade rules will continue to apply and trade back into the Goulburn will continue to create trade opportunity throughout the year, including in summer and autumn.
- A new feature of the winter-spring rolling limit has been added to give river operators flexibility to respond to seasonal conditions in winter and spring without restricting trade – this is done by 'deferring delivery' of IVT to autumn or later in the year, when the river would naturally be higher.

<sup>1</sup> Legacy commitments refer to water that must be delivered from the Goulburn to the Murray every year. Around 100 GL supports Murray entitlements that were permanently traded from the Goulburn to the Murray prior to 2007. About another 40 GL supports restoring flows in the Snowy River.

# Goulburn to Murray trade rule review: Interim trade and tagged water rules for 2021-22

## How much trade will be available?

**Around 130 GL of total net trade opportunity is expected for 2021-22** under average conditions:

**On 1 July:** ~48 GL of trade opportunity will be available on top of around 142 GL of legacy commitments that are quarantined, before the 190 GL rolling limit is reached.

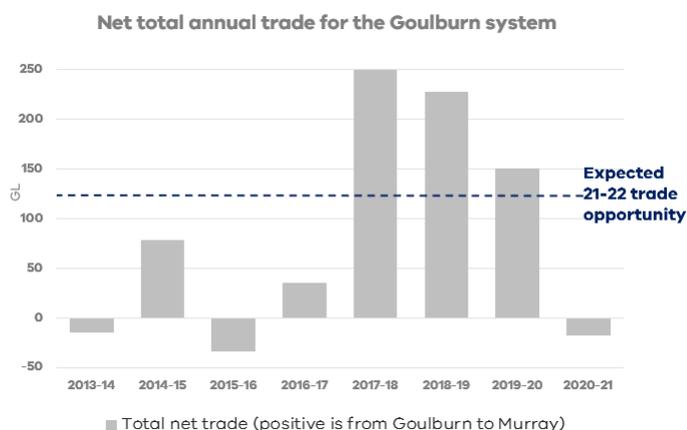
**Through winter/spring:** ~80 GL of further trade opportunity is expected to be created as river operators deliver Goulburn water and the IVT account balance drops below 190 GL.

The 'Where can I trade' tool on the Victorian Water Register website provides real-time updates on trade opportunity.



## How does this compare to recent years?

The 130 GL of trade opportunity expected in 2021-22 will be similar to the amount of trade that occurred in 2019-20. However, net trade to and from the Goulburn varies from year to year in response to seasonal conditions, water market price and commodities - as shown in the graph below.



In 2020-21, there was approximately 20 GL of net trade back into the Goulburn with more water available and higher trade from New South Wales.

There will be less trade than the record volumes, of up to 250 GL, that traded out of the Goulburn system during the recent extreme drought years in New South Wales, which resulted in environmental damage to the lower Goulburn River.

## When will a long-term trade rule be announced?

Long-term trade and operating rules will be announced prior to 1 July 2022.

In response to what we heard through consultation we will use this next year to learn more about delivering water in a more sustainable, variable pattern that is within the ecological tolerances of the lower Goulburn River.

This includes feasibility testing of larger freshes of water to better understand how the lower Goulburn River would likely respond, and how much additional trade opportunity could be enabled without increasing delivery or resource risks.

This will ensure that the Minister for Water's decision on a long-term trade rule can be made on the best available information, incorporating what we learn from monitoring and assessment of this year's interim arrangements.

## Have tagged water restrictions changed?

The interim tagged water use restrictions first introduced in December 2019 continue to apply.

This means that water from a tagged account can only be used when trade limits are open. Continuing these arrangements will provide a level playing field and prevent tagged use again becoming a loophole around trade limits.

Tagged water arrangements established before 22 October 2010, which are not restricted under Basin Plan section 12.23 and are eligible to be considered "grandfathered", will continue to be exempt from restrictions on tagged use under the interim tagged water use regulations.

An announcement on enduring tagged water restrictions will be made before the interim regulations expire on 30 November 2021.

# Goulburn to Murray trade rule review: Interim trade and tagged water rules for 2021-22

## What about water users in the Lower Broken Creek?

We heard strong concerns through consultation that proposed tagged water use restrictions were too restrictive. In consultation with Lower Broken Creek irrigators, we will design new tagged water use rules specific to the Lower Broken Creek that provide flexibility year round, but manage delivery risks for water users in the Lower Broken Creek and the rest of the Murray system.

The current interim exemption will continue in the meantime, so that water users with water allocation held in an account from the Goulburn, Loddon or Campaspe system that is tagged for use in the Lower Broken Creek can continue to use tagged water when trade is closed.

Long-term tagged water use rules for the Lower Broken Creek will be announced before the interim tagged use regulations expire on 30 November 2021.

### Additional information

- [Fact sheet: Interim operating rules and monitoring for 2021-22](#)
- [Victorian Water Register: Where can I trade?](#)

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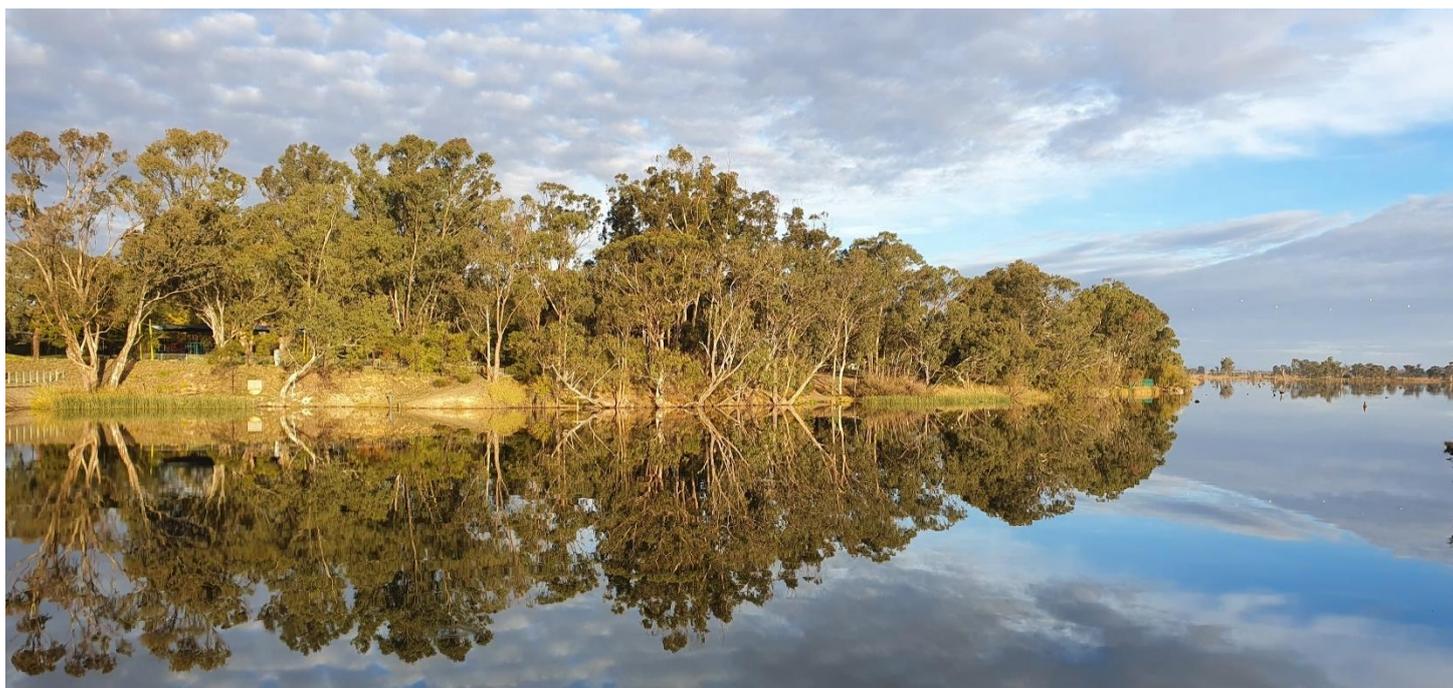
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