



The Goulburn Valley Environment Group Inc.

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Thank you for the opportunity to make a submission to the Productivity Commission study into **Market Mechanisms for recovering water in the Murray-Darling Basin.**

Our group has been active in the Victorian Goulburn Valley since 1990 and includes a broad membership of farmers, landholders and citizens with a keen interest in conservation. This region has rivers, creeks and wetlands of national and regional significance that support numerous threatened species. Because of our region's importance for agriculture, however, our group has also embraced the need to integrate agricultural needs and biodiversity needs as far as possible. Our comments are thus based on this rural experience of trying to integrate biodiversity into a predominantly cleared, agriculturally-driven landscape.

1. Whatever water is obtained must be managed on a scientific basis and be held by an independent authority that is not subject to political interference.

It should not be possible for any government to take environmental water and divert it to politically directed ends by means of a simple ministerial decision. If changes to environmental water management are thought necessary over time parliament can always change the law but that process is at least subject to debate and is publicly visible.

There exists a science based approach to determining the environment's need for water. Environmental flow regimes and environmental watering plans have been developed for the regions significant rivers and wetlands. The Goulburn Broken Catchment Management Authority has successfully used water to encourage bird and fish breeding and has attain significant ecological benefits. Further research and ongoing monitoring of these sites will continue to further refine best practice for the use of environmental water. Water for the environment is critical, it needs to be available and deliverable at a time which maximizes it's benefit to the environment. The delivery of this water needs to be equitable across all streams, perhaps inversely proportional to the annual average percentage of flow remaining for the environment.

There should be a defensible scientific multi stage approach to determine a range of environmental outcomes supported by broad community input.

The Murray Darling Basin Plan is yet to be finalised and it's implementation requires agreement be the States so waiting for this is not an option, acquiring entitlements appears to be the most effective way of providing the environment with access to water into the future. The impact of these water purchases on the environment is unclear and needs to be taken into consideration when determining where water should be purchased from. There also needs to be a clarification of the part environmental water, once purchased, will play in the temporary (allocation) water market.

2. The government is purchasing from willing sellers and is not really targeting areas where water is not used efficiently or has some other problem that justifies closing down or reducing irrigation.

This is the politically safe approach but minimises benefit. Water purchases should be targetted to encourage the consolidation of the remaining irrigation region. There needs to be a purchase of delivery shares as well as water shares if a targetted buy back to reconfigure irrigation regions is to be successful into the longer term.

It is GVEG's view that buyback should be linked to integrated structural adjustment strategies that has consideration for a suite of issues including the future of all regional communities under severe climate change scenario. The purchase price for water should include allowance for salinity and nutrient benefits and reduction in infrastructure

Whatever mechanisms are to be used there needs to be targeting of particular irrigation groups. These include those identified by system restructuring, those in areas identified as being located in poor soil/drainage zones and those that incur very high delivery losses/costs. The mechanism needs to avoid a "Swiss cheese" outcome for irrigation areas.

Yours sincerely,

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Protecting the environment for generations to come