



25 May 2022

Department of Planning and Environment

Via email: regionalwater.strategies@dpie.nsw.gov.au

### **Re: Murrumbidgee Draft Regional Water Strategy**

Murrumbidgee Irrigation is one of the largest private irrigation companies in Australia servicing over 3,000 landholdings owned by over 2,500 customers, the majority of whom are shareholders in the Company. Our core business is water distribution. We provide irrigation water and drainage services to over 4,000 metered outlets in the Murrumbidgee Irrigation Area (360,000Ha). We welcome the opportunity to provide feedback on the Departments Draft Murrumbidgee Regional Water Strategy and note that a second draft of the strategy (with prioritised options) is expected later this year.

#### **Integrated River Operations**

We support a Murrumbidgee River Operations Optimisation Study to determine the best way forward as part of the Regional Water Strategy. Until this is done the efforts to assess individual projects or options does not have a base to compare against. The critical failure of the many attempts to review future options has been the lack on an integrated river management approach. It is clear from the “long list of options” there have been numerous project proposals put forward over the past several decades to improve service and supply efficiency in the Murrumbidgee. However, virtually all these projects failed to take a strategic, holistic view of requirements. Our experience as an Irrigation Infrastructure Operator is that modernisation of water delivery networks increases efficiency of delivery and better meets customers’ water delivery needs. Further, the recent investment we have made in modernisation has highlighted the many benefits to operations from integrated system control improvements.

Rather than considering project options in isolation there is an important opportunity to optimise **system wide operations** across the regulated Murrumbidgee. Key opportunities include increased re-regulation capacity, reduced end of system losses, increased operational control and dynamic (integrated) management of the river system.

Investing in increased re-regulation capacity higher up in the river catchment supports changing patterns of demand including for cultural and environmental water and an ability to better respond to episodic events. Re-regulation structures in or near Irrigation Districts (such as Tombullen and Bundigerry storages) as well as downstream of the key extraction points (Balranald) provide for better accounting and enable capture of end of system losses. System optimisation must include irrigation district footprints and consider the changing demand patterns of the 3 biggest water access licence holders on the Murrumbidgee – MI, CICL and the CEWH.

#### **Long List of Options**

We support the Department’s plan to undertake an evidence-based assessment of the “long list of options” proposed in the draft strategy. We reiterate our concerns, expressed in recent consultation forums, that producing such a list a long list without clearly identifying that many of these options

have previously been reviewed and dismissed (some on several occasions) is divisive in the community and a costly exercise with limited benefit. We encourage the Department to ensure that the evidence-based review identifies the critical reason(s) why these projects have been dismissed so that clear and specific hurdles for further review are set. These projects should not be reviewed again without evidence the hurdles have been addressed to prevent wasting further resources reviewing them again in the future.

### **Snowy Licence Review**

The Snowy Water Licence is mentioned tangentially as part of the “long list of options”. A cohesive and integrated review of the Snowy Water Licence is required. The licence is 25 years old and is underpinned by modelling using the Federation Drought as the drought of record. It should be revised considering increasing climate variability and changed operating conditions including new water users with different demand patterns (CEWH).

Government must ensure that the Snowy Scheme’s role in ensuring drought resilience is not undermined by lucrative energy markets. The development of Snowy 2.0 increases these pressures. In addition, a range of protections that relate to the Licence have been eroded or are no longer operating as intended including wet sequence protection provisions; air space deeds; flex provisions; drought reserves; and the Required Annual Releases (which have been reduced by the Water for Rivers Program which returned water to the Snowy and Murray Rivers).

### **Rules**

Murrumbidgee River operational and water sharing plan rules were largely drafted in a pre-trade environment and prior to any concept of held environmental water or the environment as a water user. Like the Snowy Licence review these rules must be updated against the current and predicted weather patterns including greater variability and less water.

These include the Murray-Murrumbidgee IVT limit, the Barmah Choke trade restrictions, pre-2010 Tagged Trade rules End of System flow rules and the Transparent and Translucent flow rules. The rules are out of step with current trade and demand practices and are impacting on efficient operations.

We note that Transparency rules (and their complexity) were discussed at length as part of the review of the Murrumbidgee Water Sharing Plan. The then Minister initiated a Review, and a report was finalised in 2018 yet consideration of alternatives was not progressed through the water sharing plan process.

### **Demand Management Measures**

Irrigation Infrastructure Operators were required to unbundle water and delivery as part of the Commonwealths Water reform agenda. It’s now 15 years since the Water Act was introduced and there has been no progress by State governments in unbundling delivery from water rights for river users. Policy measures must be considered as a mechanism for channel capacity constraint management. They are a tried and tested effective constraints management tool.

### **Summary**

We support the Department’s plan to develop a Murrumbidgee River Strategy however unless an integrated detailed review of the river is performed as a starting point the Strategy will mainly contain hearsay, opinion and gut feel rather than a factual base for future investment. It is essential

that the Regional Water Strategy connects to existing instruments like the Snowy Water Licence and existing operational and water sharing plan rules; and considers the implementation of the SDLAM projects. The 20-year strategy must be a whole of system strategy that optimises storage, delivery and reregulation capability in order to respond to increasing climate variability and changing water users and demand. Ultimately we all agree that the role of the strategy is to drive improved river management to achieve reduced losses, improved environmental outcomes and maintain the productivity of the Murrumbidgee Valley.

Yours sincerely

