

VEWH submission to the Draft Advice on the water charges rule review

The Victorian Environmental Water Holder is a statutory body responsible for making decisions on the most efficient and effective use of Victoria's environmental water entitlements. In doing so, the VEWB helps to protect the environmental values of Victoria's river systems and wetlands. The VEWB works with Catchment Management Authorities and environmental water holders including the Commonwealth Environmental Water Holder (CEWH) and Murray-Darling Basin Authority (MDBA) to ensure environmental water entitlements are used to achieve the best environmental outcome with the water that is available.

The VEWB is a major user of headworks and delivery infrastructure in the Victorian part of the Murray-Darling Basin (MDB), and a major contributor to recovering the costs of this infrastructure. Throughout the state, environmental water holders (including the VEWB, CEWH and MDBA) paid around \$12.1 million in infrastructure charges in 2014-15.

The VEWB welcomes the ACCC's review into water charge rules. In relation to the strengthening of the non-discrimination requirements, the VEWB notes that in some cases environmental water holders receive a similar level of service to irrigators, but in some cases the service is materially different and should be acknowledged as such.

Corrections

Two sections of the Draft Advice that are potentially misleading in relation to environmental water holders:

- The figure on page 32 could be interpreted as suggesting that environmental water holders do not pay charges for 'off-river' infrastructure. This is not correct. Like other water users, environmental water holders are charged for their use of off-river infrastructure. For example, EWHs pay for delivery of water to wetlands via the Goulburn-Murray Water Irrigation District infrastructure.
- A quote on page 61 attributed to an irrigator in the Goulburn-Murray Water Irrigation District says that "environmental flows are prioritised" and that "environment flows are not paid for and [the environmental water holder] does not have to pay storage costs or per megalitre". This is also incorrect. Water delivered for environmental water holders sometimes receives lower priority than other water users, and environmental water holders do pay headworks and delivery charges. As mentioned above, environmental water holders (including VEWB) paid around \$12.1 million in infrastructure charges in Victoria in 2014-15.

The VEWB believes that there is scope to clarify these misunderstandings in the Final Advice.