



# Media Release

Date: Friday 8 January 2010

## Water trading rule criteria assists modernisation

The detailed criteria and map of zones eligible for exemptions to the 4% trade limit under the State-Commonwealth Water for the Environment Agreement were announced today.

The exemption zones have been set on the basis of irrigation suitability, rural land use change and distance from the backbone channel network. The zones complement the Northern Victoria Irrigation Renewal Project's modernisation program.

NVIRP's CEO Murray Smith said information on the zones was being mailed to customers in Goulburn-Murray Water Irrigation Areas next week with a fact sheet and map of the exempt and non-exempt zones.

Twelve community meetings across all irrigation areas are also being organised.

Mr Smith said the 4% trade limit was helping communities adjust over time if large volumes of water were being permanently traded out of their area, and as such was broadly supported.

However, irrigators in an exempt zone can now apply to NVIRP for an exemption from the limit if they are applying to transfer water shares as part of the Commonwealth Government's environmental water buyback.

The exempt zones are shaded yellow on the map and reflect factors such as long-term irrigation suitability, trends in land use change, high upgrade costs and distance from the modernised backbone channel network.

"Land owners in the yellow zones are under no obligation to sell water and should base their decisions on careful consideration of their irrigation needs and their long-term farming plans," Mr Smith said.

"Those situated in the green zone are still eligible to apply for the Commonwealth water tender but it will be processed under the 4% limit rules.

"Landowners now have multiple opportunities to sell their water but all options are major considerations in making sure irrigation remains affordable for those who wish to stay in the agricultural industries.

"Those irrigators or landowners wishing to trade water shares will be required to complete an application form before an exemption from the 4% trade rule can be assessed."

NVIRP will administer this exemption process and has planned 12 meetings through the Goulburn Murray Irrigation District to explain the changes to the 4% limit, commencing on Monday 18 January.

At these meetings the method undertaken to establish the criteria will be explained and irrigators' questions will be answered.

"We are mindful of the importance of any irrigator's decision to sell water, whether to the Commonwealth, as a trade within their area, or by taking advantage of on-farm efficiency grants," said Mr Smith.

"All irrigators need to have all the facts at hand to position themselves and their businesses for the future.

"NVIRP staff understand that the irrigation community needs all the relevant information and the ability to seek support and advice before applying for an exemption and subsequent sale of their water share to the Commonwealth Government.

"With the current round of tenders starting, landowners who are unsure about whether they are in a yellow or green zone should phone us on 1300 068 477 or visit our website [www.nvirp.com.au](http://www.nvirp.com.au)," Mr Smith said.

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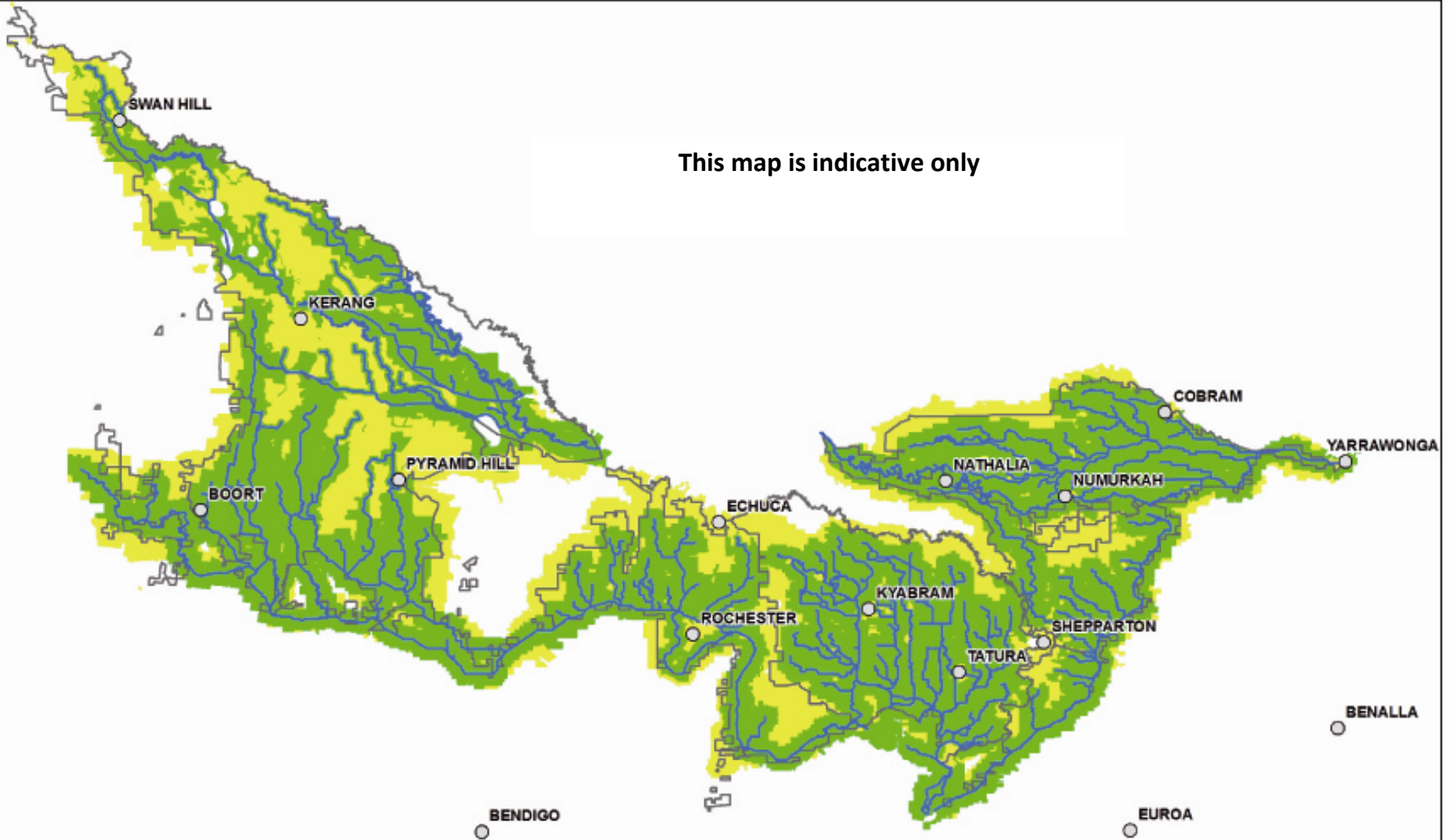
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# NORTHERN VICTORIA IRRIGATION RENEWAL PROJECT

## 4% Limit Exemption Zones

This map is indicative only



	Major Towns		4% Limit Exemption Zones
	Backbone Channel		Non-Exempt Zone
	GMID Irrigation Areas		4% Exemption Zone

Northern Victoria  
Irrigation Renewal Project  
**NVIRP**  
waterforgrowth

**DISCLAIMER:**  
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## **Key information**

### **Exemption criteria**

The following criteria have been used to determine the exempt zone as detailed on the attached map:

#### **Irrigation Suitability**

Using soil type, salinity, environmental considerations, active floodplain, drainage provision and salinity impacts to determine areas of the Goulburn-Murray Irrigation District that are unsuitable for sustainable irrigation in the long term.

Both the North Central and Goulburn Broken Catchment Management Authorities have had a significant role in determining areas that are less suitable for irrigation, making sure they fit with overall Land and Water Management Plans, and build on previously developed Reconfiguration Atlases and Overview Plans.

#### **Rural Land Use Change**

Areas where land use change is occurring or high value asset upgrades are required. A reduction in water entitlement and irrigation demand within these areas will actually help to secure and protect those irrigators who wish to remain in the irrigation industry. An example is the Campaspe Irrigation District.

#### **Distance from Backbone**

Distance from the modernised backbone channel network is a major consideration in making sure irrigation remains affordable in the future. Areas greater than two kilometres from the backbone have been identified as exempt areas.

#### **Trade from the Non-Exempt (Green) Zone**

**No** exemptions are to be made available at this stage in the non-exempt (green) zone.

Allowing exemptions from the green zone could deflect some Commonwealth purchases away from properties in the yellow zone, which are the prime target of the exemptions process.

#### **Properties within both the Green and Yellow Zones**

A property may be in both the green and yellow zones either because it straddles the boundary, or is an amalgamation of land in each of the green and yellow zones. In that case exemptions being limited to the yellow zone with the volume of water share that may be exempted will be in proportion to the delivery shares allocated to Service Points within the yellow zone. NVIRP will carry out an assessment to determine this volume and to determine whether other conditions can be achieved.

The process does not impose conditions on selling water share permanently within your irrigation area or within the 4% limit when this is available.