

Thank you for agreeing to receive our monthly update. We appreciate you taking the time to keep abreast of what NSWIC is doing to represent Water Access License holders in NSW. This electronic bulletin is a collation of our weekly updates which are sent to our Member organisations.

If you would like more details about your local Member of NSWIC, please don't hesitate to contact us.

Basin Plan Related

IGA

Following up on the announcement that NSW and Queensland had signed the IGA (27 February), we have now received a copy - [HERE](#) - and related signed documents - [HERE](#).

There were questions as to what brought about the signing and the timing of it. To see the Ministers comments on this, see the 'Meeting with Minister Hodgkinson' section below.

MDBA Presentation

Russel James from the MDBA attended our Council meeting on Thursday (13 March). He forwarded us a timeline for the Basin Plan Implementation that can be accessed [HERE](#).

CEWH

Trading Intentions

The Commonwealth Environmental Water Office released a Portfolio Management Update on Thursday (6 March) which can be accessed [HERE](#). Among other things, it provided a section on trading intentions of the CEWH for 2013-14;

- Allocation disposal - Northern Basin: The CEWH is actively investigating the opportunity to sell water allocations in the Peel River, in the Namoi and in the Gwydir and Lachlan catchments. **** You'll have seen that two of these have now taken place with sales in the Gwydir now complete and Peel lodgements made but outcomes not yet announced.**

- Allocation disposal - Southern Basin: The CEWH does not currently plan to sell water allocations in the southern MDB over the remainder of 2013-14.
- Allocation acquisition: The CEWH does not currently plan to purchase water allocations over the remainder of 2013-14 but may investigate opportunities as they arrive.

Mining and Coal Seam Gas

Agreed Principles for Land Access

An important move on the Mining/CSG front as we finally signed a 'Land Access Framework' at Parliament House. The signed document can be accessed [HERE](#).

Whilst we have been working on a voluntary land access agreement for many months prior to this date (thanks to Andrew's previous work), Santos, AGL, NSW Farmers, Cotton Australia and ourselves finalised the document this week with Minister Roberts facilitating the discussions.

Whilst the document is not legally binding, all signatories to the document have agreed on the following principles;

- Landholders are able to express their views freely and are at liberty to say 'yes' or 'no' to conduct of CSG drilling operations on their land.
- Gas companies will respect Landholder's wishes and not enter onto a Landholder's property if not wanted.
- All parties respect the Landholder's decisions and do not support attempts by third party groups to interfere with any agreed operations.

This was an important milestone for landholders in NSW and we would like to thank everyone who has contributed to this achievement.

NSW Farmers, Cotton Australia and NSWIC prepared a joint media release ([HERE](#)) on the signing of the agreement. We also prepared an individual release ([HERE](#)).

Some additional picture from today's signing can be access [HERE](#) and [HERE](#). Of note was the great job done by Stefanie representing us at this event!

Grainger Energy

Anthony Roberts announced on Wednesday (26 March) that the NSW Government will refuse five Petroleum Exploration Licence Applications lodged by Grainger Energy in the Riverina. The media release from Minister Roberts can be accessed [HERE](#).

The main reason for the refusal was a 'lack of financial security and industry expertise'.

Meeting with Minister Hodgkinson

The Minister attended our pre-Council meeting on Wednesday (12 March) together with David Harriss and Warwick Pelly (Water adviser). The Minister outlined that NSW withheld signing up to the Basin Plan until the Commonwealth agreed to the following;

- Clear commitment to infrastructure and SDL offsets projects;
- Clear and defined limit on buybacks (1500 GL cap). It was highlighted that the initial 3% cap on buybacks would have expired on 1 July 2014 with the introduction of the Basin Plan trading rules.
- Greater assistance for NSW rural communities impacted by the Basin Plan (\$32.5 million)
- Increase in SDL for two deep saline aquifers (Eastern and Western Porous Rocks)
- Implementation funding. While not enough, the NSW government will implement the Basin Plan to the extent the Commonwealth funding provides. Any additional costs of implementing the Basin Plan will not be recovered through water charges.

In addition, the Minister stated that;

- Any future constraint management work cannot have impacts on third parties.
- NSW's contribution to the MDBA will likely increase (no figures are yet available).
- Draft legislation will soon be introduced on supplementary licences;
- Recognition that full cost recovery is not achievable in all valleys.

ACCC / State Water Determination

Draft Determination of State Water Charges

The draft determination for State Water's bulk water charges was published on Wednesday afternoon (5 March). The draft determination and associated documents can be found [HERE](#).

After an initial assessment of the 280+ document we seemed to have achieved some positive outcomes compared to State Water's initial submission;

- 40:60 fixed / variable ratio will be maintained;
- downwards revision of overall CAPEX (\$52.6 million lower than asked by State Water) and OPEX (\$12 million lower than asked by State Water)
- WACC of 7.44 (1.52% lower than State Water's proposal)
- Downwards revision of regulated asset base

Submissions for the draft determination are due **17th April**.

ACCC Discussion

Darren Kearney and Sebastian Roberts from the ACCC attended our pre-Council meeting on Wednesday (12 March) to discuss the draft submission. Several questions/concerns were raised about the proposed new price mechanism, the MDBA charges and metering.

We have also prepared a Briefing Note - [HERE](#) - on the main aspects of the ACCC's draft determination.

NSWIC Draft Response – ACCC Draft Decision

We have drafted a response to the ACCC's draft determination on State Water's bulk water charges. The draft submission has been sent to the 'bulk water charge reference group' for preliminary comments.

Whilst Stefanie will work through the comments she received from the reference group, we wanted to provide everyone with as much opportunity as possible to consider our draft submission. As such, the draft submission can be accessed [HERE](#).

If anyone has any comments to the draft submission, please contact [Stefanie](#).

Bulk Water NSW

Amalgamation of State Water and Sydney Catchment Authority

We received a media release ([HERE](#)) on Tuesday (4 March) that the NSW Government is planning to consolidate State Water with the Sydney Catchment Authority to form a new entity "Bulk Water NSW". This announcement came at a complete surprise to us as it did to many people. Understandably, we had many questions and concerns on the implications of this merger. On Thursday (6 March) we received a follow up letter from Terry Charlton (new Chair of Bulk Water NSW) regarding the merger - [HERE](#). The letter is not very specific however it provides a timeline for the full implementation.

Bulk Water NSW

Following up on the announcement of the merger between State Water Corporation and the Sydney Catchment Authority, we wrote a letter to Minister Hodgkinson to seek clarification on a range of issues. The letter can be accessed [HERE](#).

During our pre-Council meeting on Wednesday (12 March), the Minister also discussed the merger. We were informed that there would be no impact to stakeholders and the current regulatory arrangement and determination will not be affected. However, we remain concerned about the merger as it could lead to additional liabilities on State Water's (Bulk Water NSW) balance sheet. In addition, the merger will drive efficiency savings that should be reflected in irrigator's future bulk water charges.

Electricity Update

Network Determination

We have now submitted our response to Essential Energy's transitional regulatory proposal (network charges) for 2014-15. The final submission can be accessed [HERE](#). Thank you to all our members who provided feedback to the draft submission at such short notice.

The final determination for Essential Energy's transitional network charges will be available in **April 2014**.

Meeting With Essential Energy

We met with Essential Energy on Wednesday (12th March) to discuss a range of new 'demand management tools' that could assist irrigators with their electricity use. The tools are still in the development stage but look promising. We also discussed the recent submissions to the transitional regulatory proposal and subsequent regulatory period. We finished by stressing that the current network tariff structure is not suitable for irrigators and that there need to be some adjustments. We will continue our discussion with Essential on this topic.

Local Land Services

LLS Board Elections

The election for Local Land Services board members has now closed and the results have been announced. The full list of elected board members can be accessed [HERE](#).

LLS Funding

After several months of waiting, we finally received a response from Minister Hodgkinson's office to our question on the proposed funding framework for Local Land Services. Minister Hodgkinson's letter can be accessed [HERE](#).

The letter states that 'IPART is currently considering their final recommendations on the proposed funding framework and will deliver its report to the NSW Government by the end of March 2014'. We contacted IPART to get further information on the progress and were informed that IPART has forwarded the final report to the NSW Government.

A release date for the final report is not yet known.

NSWIC Meeting – 13 March

NSWIC Meeting Outcomes

Thank you to all our Member organisations and their representatives for the input and attendance at our Council Meeting. We will be working through the minutes of the meeting and supplying everyone with a follow-up email on what actions will be taken to progress the issues.

This will include such things as the formation of a new reference group (Mining and CSG) and a meeting format change proposal. We heard you....

Biodiversity Offsets

You might have seen the announcement on Thursday (20 March) regarding a new policy released for consultation - Biodiversity Offsets [HERE](#). The plan is to provide new opportunities around environmental offsets for major projects and hopefully achieve greater results at the same time.

A copy of the draft policy is available [HERE](#). We have reviewed this and do not feel it is necessary for us to make a submission.

Snowy Hydro

New Advisory Committee for Snowy Hydro

We received a media release from Minister Hodgkinson's office ([HERE](#)) regarding a bill to replace the current Snowy Scientific Committee with a new Snowy Advisory Committee. This proposal is not new and has been discussed since February 2013 (see media release - [HERE](#)). The Bill has passed the Legislative Assembly on Wednesday (5th March) and will be sent to the Legislative Council for consideration.

National Irrigators' Council

Employment Opportunity

The National Irrigators' Council has a 12 month (maternity leave) part-time employment opportunity for 2/3 days a week. More information on the position can be accessed [HERE](#).

If you know of someone who would be interested in this position, please contact [Tom Chesson](#) as soon as possible.

Cotton Scholarships

Cotton Australia has launched its 2014 scholarship program offering 22 individual scholarships available for students across different disciplines. More information on the scholarship program can be found [HERE](#).

Farmer of the Year 2014

Nominations for the Australian Farmer of the Year Awards have now opened. This is your chance to nominate someone who's contribution to the industry really should be recognised.

There are twelve categories to choose from for nominations, full details are available [HERE](#). Good luck to all. Please note applications close – **Friday 27 June 2014**,

Nuffield Australia

The application period for 2015 scholarships for primary producers opens on Tuesday 01 April. This is a wonderful opportunity for those who are passionate about primary production and feel they have something to offer and learn from the industry. Closing date for applications is Monday 30 June.

Application and information are available [HERE](#).

National Farmers Federation

NFF Members Council Meeting

On Monday and Tuesday this week (17 - 18 March) the NFF held their Members Council Meeting in Canberra. Mark attended on behalf of NSWIC and the event was very well received.

The NFF get involved in more varied issues than NSWIC do, however the exposure to these issues is very valuable indeed. NSWIC currently has a spot on two committees:

Natural Resources Committee (represented by Tim Duddy) and the Water Taskforce Committee (represented by Ted Hatty).

The Natural Resources Committee is currently working on the Emissions Reduction Fund, Native Title, EPBC Act and Landcare.

The Water Taskforce Committee is busy with the Water Act review, Murray-Darling Basin reforms, taxation and as highlighted in this meeting, the need to enforce environmental monitoring and evaluation work as presently there is not much of either taking place.

Of interest to Members will be the work progressing on the Agriculture White Paper (we're assessing how NSWIC will contribute to this also) and the National Infrastructure Plan (you thought water was complicated.... the complexity and issues around infrastructure are immense!).

Weekly Update

The NFF put out a weekly newsletter for their Members, much like the one NSWIC distributes. To access these newsletters, click the link beside the date of each issue.

07 March – [HERE](#)

14 March – [HERE](#)

21 March – [HERE](#)

28 March – [HERE](#)

ABARES REPORTS

Climate, Water and Agriculture ABARES Updates

The last two months of reports can be accessed on our website page link [HERE](#).