

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.

Water Act Review

Senator Birmingham announced the terms of references (ToR) of the 2014 Water Act Review on Monday (12 May). The ToR can be accessed [HERE](#). Included in this are names of the panel members who will oversee this process and report back to the government by the end of the year.

- Peter Anderson (Australian Chamber of Commerce and Industry)
- Eamonn Moran (Commissioner of the Victorian Law Reform Commission)
- Gavin McMahon (NIC)
- Steven Morton (honorary fellow with the CSIRO in Alice Springs)

We are yet to receive the detailed timeline for the review.

Water Act Review – Update

We held a teleconference with the Water Act Reference Group on Tuesday (27th May). The discussion centred around which aspects of the review NSWIC should focus on and how we can best coordinate with our members and other peak bodies to share the enormous workload of this review.

Stefanie will work together with the reference group to prepare a draft submission. If you have any questions to the review, please do not hesitate to contact us.

MDBA Peak Body Meeting

NSWIC Chairman, Richard Stott, and CEO, Mark McKenzie, attended a meeting between peak irrigator and environmental bodies with the MDBA in Canberra (Thursday 22nd May) as part of a regular program of liaison between the Authority and

the senior representative bodies with an interest in the implementation of the MDB Plan and its associated planning processes. The meeting received updates on the MDBA's current programs - the Basin Watering Strategy and Annual Watering Priorities; the development of the Constraints Management Strategy; the Basin Plan Evaluation Framework & Annual Effectiveness Report; and progress with the development of the SDL Adjustment Process.

Key items of information included:

- A number of reviews are being conducted on MDBA budgets; cost sharing arrangements with the States; Authority governance; and salinity programs. Discussions are still continuing with the NSW Government over this State's financial contribution to MDBA operations and programs. Irrigator groups at the meeting also requested copies of the Authority's corporate plan for review.
- The Ministerial Council of Basin Water Ministers has been asked by the MDBA to reassess the purpose and nature of a projected Review of Cap Factors across the Basin due to commence from July 2015 and projected to take 2 years to complete.
- There are 36 Basin Water Resource Plans due for completion by 2019, with the first of the NSW Water Resource Plans in the Lachlan due to begin in 2017.
- The reviews of the 2 NSW Groundwater regions have been completed and are due for publication in the next few weeks.
- The Basin Watering Strategy will be released for public consultation in August, with a November deadline for completion. The strategy's key environmental management themes are on waterbirds, vegetation, fish and system connectivity.
- Work on the development of the Constraints Management Strategy - designed to unlock constraints to allow the 450GL of projected "up water" (over and above the 2750GL of water for the environment to be recovered in the MDB Plan) to be delivered for environmental objectives - is in its pre-feasibility stage. This includes inundation mapping and the identification of the impacts of extended higher flows at up to minor flood level. Consultation on the current stage of the Strategy commences in July / August. A report on the impacts of the associated flows on key areas of the Basin is due in September.
- There is continuing debate over the MDBA's Basin Plan Evaluation Framework - its use and the regularity of reporting.
- Work on the SDL adjustments from infrastructure and rules /management changes is continuing, with the Authority working up a scoring system to assess the water savings from each project or management change. The final list of potential water saving projects is due to be provided by the States to the Commonwealth by 2016 and the associated SDL adjustments will be incorporated into the Basin Plan from 2019.

Water Management Act Proposed Amendments

A representative group from the NSW Office of Water attended two meetings with our Members. A meeting on Monday (28 April) in Narrabri was attended by representatives from MRFF, Namoi Water, Cotton Australia, GVIA, NSWIC and BRFF. Of particular interest to the north was the progression of Floodplain Harvesting and Supplementary licences, in the end no major issues with the WMA proposed amendments were identified.

A meeting on Wednesday (30th April) in Griffith was attended by representatives from MI, MVFF, MGI, MPII, CICL, NSWIC, Murray Irrigation, LVW, RGA and MVWDAC. There were some concerns regarding the amendments to Water Sharing Plans and the use of a benchmark other than the Millennium Drought to determine allocations. In the end, no major issues with the WMA proposed amendments were identified.

On Friday (2nd May) we discussed the New Term Water Allocation Dealing provision that is proposed in these amendments with the NSW Office of Water and Treasury.

It appears that this proposed new provision is quite complex however without having further detail on the exact wording in the amendment bill, it is difficult to assess whether it could have further implications for licence holders. We will keep you informed should we get any further information however at this stage we recommend caution should these provision be passed in the future.

WMA Proposed Amendments – Update

The activity around the WMA proposed amendments has considerably slowed with no major issues with these amendments being identified. We checked with NOW on the delivery of this briefing to other groups (Environment and Mining) and they reported no significant objections.

We mentioned that Tim Duddy and Danica Leys were spending time at the NOW office to review the finer points of the Draft Bill. The outcome from that was a few drafting issues which have been highlighted with the Dept, but in general it was found to be positive in the way it is instilling the rights of supplementary and floodplain water users.

WMA Proposed Amendments – Update

Mark McKenzie and Stefanie were invited by Minister Humphries on Thursday (29th May) to attend the second reading speech of the Water Management Act Amendment Bill 2014. As we outlined in our previous updates, the amendment bill includes provisions for the issue of supplementary water licences in perpetuity, the issue of floodplain harvesting licences and compensation rights for both these classes of licence holders - all issues that Council has pursued for many years. The Amendment Bill and the explanatory document can be access [HERE](#).

We congratulated the Government on the introduction of the bill with this media release - [HERE](#).

Meeting with New Water Minister

NSWIC chaired an informal meeting between irrigation sector representatives and the new Natural Resources, Lands & Water Minister, Kevin Humphries in Griffith on Wednesday (April 30) ahead of the second regional briefing by the NSW Office of Water on proposed amendments to the Water Management Act. The meeting allowed the Minister to hear first hand some of the current issues of concern to irrigator groups and water companies in the Riverina region, which is an area less well known to him than the northern basin regions around his home base of Moree.

NSWIC welcomed the opportunity to meet with Minister Humphries, with Council CEO, Mark McKenzie, stating the Council's desire to work closely with him on irrigation sector issues under an "open door policy". The Minister stated that he has 3 overriding priorities

- the review of the Water Sharing Plans between now and July 2015 to deal with some current plan anomalies;
- the implementation of the Murray Darling Basin Plan and associated MDBA management costs;
- and constraining water pricing impacts on irrigators.

The Minister indicated that he intended working closely with NSWIC and was looking to an early meeting with the Council to discuss the key issues raised with the Minister in NSWIC's letter to him. A copy of our letter to the Minister is available [HERE](#).

Water Commissioner David Harriss

David Harriss Moving On

NSW Water Commissioner, David Harriss, left the Office of Water on 30th May after a distinguished career as the State's leading water bureaucrat.

We have continued to receive feedback from a large number of Council members over the departure of David Harriss as NSW Water Commissioner - with the uniform message that despite the fact that individuals and irrigation organisations had from time to time had disagreements with the decisions of the Office Of Water and with David, there was concern that his knowledge and capacity to strongly advocate NSW's position on the Murray Darling Basin Plan with the Federal and other State Governments through meetings at Basin Officials level will be sorely missed. Council Chairman Richard Stott spoke with David to express the Council's thanks to him.

NSWIC responded to the departure of David Harriss with a Media Release and letter to Water Minister, Kevin Humphries, criticising the loss of the Water Commissioner's knowledge at a critical time for NSW in the implementation of the Basin Plan.

The media release can be accessed [HERE](#).

Commission of Audit

The National Commission of Audit report was released on Thursday (1st May). The associated media release from Joe Hockey - [HERE](#) - mentions that the report 'identified opportunities for structural reform' (...) 'that would form an important input to the Government's considerations for the upcoming Budget'.

Key recommendations from the audit in relation to water were;

- Suggestion that government bridge the gap for the implementation of the MDB Plan by water buybacks and not by infrastructure investment.
- Suggestion to amalgamate the MDBA and the NWC into the Department of Environment.
- Recommendation to privatise Snowy Hydro Limited.
- Review several committees including the Independent Expert Scientific Committee on SCG and Large Coal Mining Developments and the Great Artesian Basin Coordinating Committee.

The full list of recommendations can be accessed [HERE](#).

Federal Budget 2014

Stefanie was in Canberra on Tuesday (13th May) to attend the Federal Budget lock-up. The budget outlined a range of expected (and not so expected) measures relevant for food and fibre producers.

The key points of the budget were;

- Commitment by the Federal Government to cap buybacks at 1500 GL;
- Abolition of the National Water Commission (its statutory functions will be taken over by other agencies)
- Reduction in funding (\$407.6 million) for sustainable rural water use and infrastructure programs (including Menindee Lakes, the National Water Market System and buyback funding). We will watch this last one closely.

Further detail on specific budget measures can be found in our briefing note - [HERE](#).

Post Budget Discussions

CEO, Mark McKenzie, joined National Irrigators Council Chairman, Gavin McMahon, and CEO, Tom Chesson, in an irrigation sector delegation which met with Parliamentary Secretary for Water, Senator Simon Birmingham, on the morning after the Federal Budget to discuss the main features of the Budget impacting irrigators and the Murray Darling Basin Plan implementation. As previously advised the key budget measure was a \$407 million reduction in the budget for Plan implementation funding though reductions in Menindee infrastructure funding; reductions in buybacks under the 1500GL water purchase cap; and the scrapping of the water markets project. The

Senator advised that the Environment Dept remained confident that the lower allocation to Menindee works of \$155 million plus a contingency was sufficient to implement scaled back works that could still recover 80GL in evaporation savings. The potential to review the apparent skew in the current Basin Plan cap factors in the Gwydir and Macquarie as part of a proposed extension of the scope of the Science Review of the Northern Basin was also discussed, but as this would require sign off by Basin Water Ministers as well as the Commonwealth the Senator was cautious around a commitment on that front.

Bulk Water Charges

Responses to the ACCC's draft determination are now available on the website - [HERE](#). State Water has been extremely vocal about the proposed tariff structure and the 'overs and unders' account. Two separate consultant reports have been submitted by State Water to the ACCC. A briefing note on State Water's response to the ACCC can be accessed [HERE](#).

We joined a teleconference on Thursday (08th May) with the ACCC where we were informed that the ACCC is reconsidering the proposed tariff structure(!). This is a significant issue and we spent a great deal of time working on the issue to prepare a comprehensive response for the ACCC.

Bulk Water Charge – Update

We organised a follow up teleconference with the ACCC on Thursday (15th May) to discuss the proposed tariff structure and cost recovery mechanism for State Water's bulk water charges. We stressed to the ACCC our support for the existing 40:60 fixed/variable tariff structure and outlined a number of issues with State Water's response to the ACCC's draft decision.

We also forwarded an additional information paper to the ACCC to emphasise our points. The paper can be accessed [HERE](#).

We thank all our members who joined the teleconference and provided valuable input to the discussion.

EPBC 'Water Trigger' Amendments

As you may be aware, Minister Hunt tabled amendments to the *Environment Protection and Biodiversity Conservation Act 1999* on Wednesday (14th May). The two bills are:

- The Environment Protection and Biodiversity Conservation Amendment (Bilateral Agreement Implementation) Bill 2014
- Environment Protection and Biodiversity Conservation Amendment (Cost Recovery) Bill 2014

The Bilateral Implementation Bill includes an amendment to allow the Minister to accredit state and territory government to approve decisions on mining and coal seam gas developments that “trigger the water trigger”. Currently the Act is quite specific in preventing the Commonwealth from devolving the water trigger to the States.

EPBC - Water Trigger Amendments

Having received a number of comments on the *Environment Protection and Biodiversity Act 1999* (EPBC Act) 'Water Trigger' amendments, we put together a short submission for the Senate Standing Committee on Environment and Communications. Our letter to the Committee can be accessed [HERE](#).

The feedback we received was mostly in support of rejecting the transfer of the 'water trigger' to the States due to the lack of confidence in the current NSW mining/CSG legislative framework. In addition, concerns were raised about the lack of detail around adequate safeguards as part of the transferral process.

Mark McKenzie participated in an NFF Members teleconference on Wednesday (28th May) to try to reach a consensus view on the proposed 'water trigger' amendments - but the range of views and lack of a quorum means another attempt will need to be made.

(Subsequently a second NFF teleconference of Members agreed to the Option 2 - the handing over of the "water trigger" management function to the States under the proviso of sufficient safeguards around the rigour of the assessment process being in place)

New MDBA Member

A name that will be familiar to many of you through his previous work with Murray Irrigation and State Water.... Mr. George Warne has been appointed as a new member of the MDBA. The media release announcing the appointment can be accessed [HERE](#).

Water Monitoring and Water Data Management

On Friday (16th May), NSWIC was able to send two representatives (Tim Duddy and Mark Moore) to a meeting with the Land and Water Commissioner Jock Laurie, government representatives, NSW Farmers, Cotton Australia and Ricegrowers Association.

The work on this project goes back a fair way after a report from the Chief Scientist & Engineer, Professor Mary O'Kane into Coal Seam Gas activities. In that report was a recommendation to establish an environmental data repository (water, soil and air). The

work has progressed well and a presentation was delivered on the data collection activities so far and what this is being utilised for. This included a Baseline Water Data Project, Groundwater Monitoring, and recommendations for future monitoring.

The project information centered around information from the Gunnedah, Gloucester and Clarence-Morton systems. The feedback was positive from all the groups in attendance. The plan is now to deliver this presentation to a wider audience, irrigators and farmers being at the top of this list. We will keep you posted on this project as we feel it's important to get this information delivered to our Members. .

NSW Land Arbitration Access Process

Council Director, Tim Duddy, and CEO, Mark McKenzie, attended a conference between NSW Land & Water Commissioner, Jock Laurie, Bret Walker SC and industry groups on Tuesday (20th May) - to discuss Mr Walker's review of the Land Access Arbitration Framework. Resources & Energy Minister, Anthony Roberts, has set a deadline of June 30 for delivery of the review. Industry representatives discussed anomalies in the current arbitration process and provided Mr Walker with a list of potential Land Access Arbitration improvements to repair imbalances between landholders and gas / mineral explorers in the current process. They also requested an opportunity to review the draft recommendations.

Barmah Choke

Trade Restriction Reminder

While still in the role, NSW Water Commissioner David Harriss issued a press release (01 May), reminding those in the NSW Murray Valley about the temporary relaxation of trade restrictions around the Barmah Choke.

David said "... the circumstances allowing this continued relaxation are reviewed regularly and water users need to be aware that there is always the potential for the restriction to be reinstated.' Copy of the media release [HERE](#).

Energy Related

Meeting with Minister Roberts' office

Cotton Australia and NSWIC met with Minister Roberts energy adviser on Thursday (22nd May) to discuss electricity use in irrigation. The conversation was constructive and left us with a few further ideas on how to address rising electricity costs.

RET Review

We have now submitted our response to the Renewable Energy Target Review. The final submission can be accessed [HERE](#).

We thank all our members who provided input to the review.

Further information on the timeline of the review can be accessed [HERE](#).

Menindee Lakes - Updates

The NSW Office of Water issued a "Management of Menindee Lakes" communiqué.

The update [HERE](#) gives a really good summary of the present situation and how the management of the lakes is being carried out. For any who have been to the lakes, you'll appreciate the picture on page 3.

An additional (early June) Menindee Lakes communiqué has now been released and is available [HERE](#).

Water Availability Updates

NSW Murray and Murrumbidgee

The NSW Office of Water has released its water allocation outlook for 2014-15 in the NSW Murray ([HERE](#)) and Murrumbidgee ([HERE](#)).

Lachlan

The NSW Office of Water updated the likely range of forecast water availability for the Lachlan valley. The media release can be accessed [HERE](#). Further information are available on our water market site - [HERE](#).

Beavers Creek Weir Upgrade

We advised in our April update that the Hon Katrina Hodgkinson would be attending the opening of the newly upgraded Beavers Creek Weir (Collingullie).

Due to changes within NSW Cabinet, this event is now postponed. State Water will confirm an alternate date in the near future.

Hunter Valley Water Users Association

Thank you to Arthur Burns

Long standing President of the Hunter Valley Water Users Association, Arthur Burns, has stepped down from the position after over 20 years of Association leadership. Arthur passed the President's baton to his Deputy Bruce Whitten, at the Association AGM in Singleton on 12 May - having sold his farm at Scottsdale. However his extraordinary knowledge of water in the Hunter Valley will not be entirely lost, as he will continue to lead the HVWUA's SDL Sub Committee. NSWIC CEO, Mark McKenzie, who attended the AGM with Mark Moore, paid tribute to Arthur's extraordinary contribution to regional and State irrigation communities - as the long term Hunter delegate on NSWIC.

EO Position – Southern Growers

We have been made aware that 'Southern Growers' is looking to fill the position of EO in their new organisation. The job advertisement can be accessed [HERE](#).

Southern Growers (SG) has been established to lead local agricultural research and extension in the southern Riverina. The new organisation is an amalgamation of Berriquin Irrigators Council and Southern Growers Group. Further information can be accessed [HERE](#).

Perception of Regional Australia

Liz Stott from the Ricegrowers' Association is currently undertaking a project to examine perceptions of rural, regional and remote Australia with the aim to promote positive stories from these areas. This project is part of her involvement in the Australian Rural Leadership Program.

A survey has been put together to better understand current thoughts and perceptions

about regional Australia and identify issues, challenges and opportunities faced by individuals and communities.

Liz has asked us to circulate a short survey to Members. The survey takes approximately 10 minutes and is of course voluntary.

We would appreciate your participation in the survey, please click [HERE](#) to enter. For any further questions please contact Liz Stott at RGA (02) 6953 0433.

National Farmers Federation

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.

02 May – [HERE](#)

09 May – [HERE](#)

16 May – [HERE](#)

23 May – [HERE](#)

30 May – [HERE](#)

ABARES REPORTS

Climate, Water and Agriculture ABARES Updates

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