

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.

2014 Water Act Review

Thank you to all Members who have provided comments to our submission on the 2014 review of the Water Act 2007. The final submission was sent Friday 04 July and can be accessed [HERE](#).

As a next step, we will seek an appointment with the expert panel to present the main points of our submission.

Mining & CSG Update

Pilliga CSG Tour

Mark McKenzie, Mark Moore and Stefanie spent 2 days in the field - on a fact finding tour of the Santos Narrabri CSG Project - with an NSWIC group, including Chairman Richard Stott, Deputy Chairman Trent Gardiner, Director Ted Hatty and irrigator and industry organisation reps from the Coastal Valleys, and the Namoi, Macquarie, and Murrumbidgee Valleys.

The group had an extensive tour of the Santos pilot gas field operations in the Pilliga Scrub, and adjacent farmland, including well sites on Crown and private land, and water storage and management facilities for the water produced in the drilling and gas harvesting operations. The tour formed part of the groundwork in reviewing the Council policy position on CSG and coal mining across the State - to be thrashed out through a proposed Reference Group on mining and exploration, before going to a future General Council Meeting for approval.

Mining & CSG Reference Group

NSW Irrigators has now formed a new Mining & CSG Reference Group to review our present policy and make changes (if necessary) to our position on mining / CSG activities in NSW. An up to date policy position will assist us in dealing with the increasing issue of Mining & CSG development in the state.

As this is a state wide issue, our goal is to have representation from all areas of NSW on this group. A copy of our present policy position is available on our website [HERE](#).

Planning Assessment Commission (PAC)

An independent assessment of groundwater impacts from the proposed Shenhua coal mine development on the Liverpool Plains was presented at the PAC hearing on the proposal at Gunnedah on Friday 27 June. The peer review of the Environmental Impact Assessment reports and process was led by Doug Anderson, Senior Groundwater Engineer at the UNSW, and found a number of flawed assumptions, anomalies and lack of plausible data to support the company EIS findings on groundwater impacts. Mr Anderson appeared at the PAC hearing under the auspices of NSWIC which provided co-funding for his research - given the importance of this case in ensuring that the State Government's Groundwater Interference Policy is adhered to in planning assessments of mining and CSG proposals.

NSWIC joined in a multi-party letter to the PAC Chair urging the Commission to extend its Gunnedah hearings beyond a visit to the Shehua Watermark mine, to include a number of sites that would illustrate the impact of the mine on agriculture as well.

EPBC Act Amendments

Following on from meetings designed to land on a common position on whether and how the 'water trigger' function in the Environment Protection and Biodiversity Conservation (EPBC) Act would be referred back to State management, NFF Members - including NSWIC - agreed to a policy of supporting the referral back to the States - but with a big proviso.

Following serious concerns expressed by NSWIC, NSW Farmers, Cotton Australia, and Grains Council - particularly over the lack of rigour in current NSW Government assessment processes on mining and CSG exploration - it was agreed that the States should only be handed management of the 'water trigger' function under the Federal Act, if sufficient safeguards are in place to ensure State agencies manage the process of evaluation and reporting on mining and CSG impacts on water resources thoroughly, and the Commonwealth maintains a monitoring function that retains the ability for the Federal Environment Minister to call back the process if not satisfied.

The NFF were in discussions with Environment Minister Hunt's office seeking assurances on the inclusion of a suite of proposed safeguards. The amendments are

due for introduction into Federal Parliament as early as the last week of June, so we expect more news on the final form of this process soon.

Dams Task Force

The Federal Government's Dams Task Force, chaired by Agriculture Minister, Barnaby Joyce, is seeking input on the high level detail of dam proposals for an initial brief to the Prime Minister in July, and has requested feedback from NSWIC. We are currently drawing together a submission using the NSWIC 2012 Submission to the NSW Government Inquiry on the Adequacy of Water Storages and the subsequent Infrastructure NSW Report on potential dam developments as the basis of our response to the Dams Taskforce.

So far, the most likely candidates for consideration are the proposal for a new Lachlan catchment dam east of Canowindra at 'The Needles' which could assist in underwriting irrigation water security; a new dam on the Murrumbidgee near Gundagai designed to augment early season supply reliability to the Murrumbidgee irrigation districts by overcoming Tumut River capacity constraints out of Blowering Dam; and a change in operational arrangements for the Burrendong Dam on the Macquarie which would also improve water supply security by allowing higher water storage levels.

Infrastructure

Nationals Announce Regional Infrastructure Plans

The NSW Nationals Annual Conference introduced some information around the \$1 Billion investment into regional infrastructure. The media release [HERE](#) highlighted one very important piece of infrastructure for irrigators..... a proposed New Dam!

The Needles Gap Dam, on the Belubula River is being touted as the "first dam in 30 years to be built in Western NSW". The announcement is light on detail, but does mention a partnering with the Commonwealth and Local Council to get this project off the ground. The Deputy Premier's announcement is coincidental with the same project being included in an NSWIC list of potential NSW dam projects for consideration by the Federal Government's Dam Task Force.

We welcome this announcement and will follow it closely as more information is known, specifically when the NSW Budget is released on Tuesday 17 June.

NSW Budget Lock-up

We attended the NSW Budget Lock-up on Tuesday (17th June). The budget contained some interesting items for irrigation and agriculture in general. References to the amalgamation of State Water and the Sydney Catchment Authorities were made.

The NSW budget however only indicated a \$1 million initial funding commitment by the Government to undertake a scoping study of the Needles Gap Dam

We prepared a briefing note [HERE](#) which includes the main points of the budget relevant for irrigators in NSW.

Electricity / Energy Update

EUAA Conference

Stefanie attended the Energy Users Association of Australia (EUAA) energy conference on Wednesday (04 June). The full program is available [HERE](#) and the presentations [HERE](#).

It was a busy but very informative day with many new insights into the complexity of the electricity market (and regulation). We will take the opportunity to further discuss some of the issues with presenters and policy makers in the next few weeks. In particular, the session on demand responses management and energy policy showed that there are some other possible avenues to address rising electricity costs.

Electricity Meetings

We joined a teleconference with Essential Energy to discuss their annual network tariff report. Essential was not very forthcoming with information, however informed us that their regulatory proposal (network charges for the next four years) has been submitted to the AER. The document is apparently 22,000 pages long.... !!

Cotton Australia and NSWIC also met with the Australian Energy Market Commission to gain a further understanding on the progress of the recent rule change proposals. There appears to be some good outcomes from the process - in particular about tariff regulation and information provision to customers. We were informed that the AEMC has (and will) work through 44 rule change proposals. A further draft paper on the proposed rule changes will be released in the second half of this year.

Further information on the rule change proposals can be accessed [HERE](#).

For any further questions on electricity please contact our office.

ACCC / SWC Bulk Water Charges

The ACCC has released the final determination of State Water's bulk water charges ([HERE](#)).

Overall, the final determination could be considered an even better outcome than the ACCC draft determination (yes, we are also surprised!). In a nutshell, the ACCC has settled on an overall revenue requirement that is \$83 million lower than State Water had asked for.

The main positive outcomes are a continuation of the existing 40:60 (fixed / variable) tariff structure and a reduction in charges for most valleys (except the Murray and the Murrumbidgee valleys largely due to the impact of MDBA charges being slated back to water users). In addition, the ACCC has further reduced State Water's allowed revenue, capital expenditure and rate of return.

Regarding the impact of MDBA charges, Authority Chief Executive Rhondda Dixon, has advised NSWIC that MDBA shared charges for River Murray Operations have not increased, but the additional charges to irrigators result from the NSW Government decision to increase the proportion of the NSW component paid by irrigators compared with the State Treasury commitment. The NSW funding of the MDBA for shared Murray River operations will increase from \$8.9m this year to close to \$20m next year, with almost all of the additional funding to be borne by irrigators. However this is still a significantly better outcome than irrigators bearing the largest burden of the originally proposed \$32m of shared river operation costs to be paid by NSW.

We are still working through some of the finer detail of the ACCC determination, in particular the new meter service charges and the price control mechanism, however on the whole, the outcome is a good one for irrigators in NSW.

For a quick overview of the final determination (and a comparison to the ACCC's draft determination and State Water's original pricing proposal), see our briefing note [HERE](#).

We would like to mention a very big thank you to the reference group who worked extensively with us on this issue.

Snowy Hydro

Andrew Nolan and Roger Whitby from Snowy Hydro visited our office on Friday 6 June to give Mark McKenzie and the staff an overview of the Snowy Scheme and go into some of the details on its operation.

This was extremely helpful as it's a complex operation. Talk of another Snowy Scheme tour came up, so Council Members will be contacted regarding a November tour.

Barmah Choke Allocation Trade

The MDBA issued a media release on the Barmah choke allocation trade - [HERE](#). The media release outlined that allocation trading from above the Choke to downstream of the Choke will be allowed to continue into the 2014-15 water year.

NSWIC will engage with the MDBA to get a better understanding on the flow modelling for this decision and the parameters that would trigger a termination of the allocation trade from above to below the Barmah Choke in the future.

National Farmers Federation

Newsletter

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.

06 June – [HERE](#)

13 June – [HERE](#)

20 June – [HERE](#)

27 June – [HERE](#)

ABARES REPORTS

Climate, Water and Agriculture ABARES Updates

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