

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

Ecological Elements Model

The MDBA has released the CSIRO Ecological Elements model. The full report and associated documents can be accessed [HERE](#). (Please note that the documents are at the bottom of the page.)

MDBA Environmental Watering Strategy

The MDBA released its Draft Environmental Watering Strategy at the end of August ([HERE](#)).

Thank you to all our Members who provided comments to our draft. We sought (and received) an extension to the submission deadline until **1st October**.

Please find the final submission [HERE](#).

Minister Humphries Tours Southern Basin

Minister for Natural Resources, Lands and Water, the Hon. Kevin Humphries, together with his Water Policy Adviser, Warrick Pelly, Director General of DPI, Scott Hansen, and Bulk Water NSW CEO, David Harris joined NSWIC Chairman, Richard Stott, Deputy Chairman, Trent Gardiner, and CEO Mark McKenzie on a 4 day tour of the southern connected system of the NSW Murray-Darling Basin from Tuesday 02nd September.

The tour commenced following the Minister's opening of the Old Man Creek / Beavers Creek regulator works in the Murrumbidgee system west of Wagga - moving on to view environmental watering efficiency opportunities raised by local irrigators nearby, before

both Murrumbidgee Irrigation supply canals near Narrandera and Leeton were visited. This started a comprehensive tour through the Riverina and Lower Darling Districts covering the key features of the southern system, including a number of supply infrastructure, on-farm efficiency works, and irrigated agriculture and horticulture operations around Griffith, Coleambally and Deniliquin - during which the Minister met with local industry reps and irrigators.

Other tour sites included:

- The Coleambally Canal offtake and Lake Tombullan Storage
- Mulwala Canal
- Millewa and Barmah Chokes
- Perricoota - Koondrook Living Murray Environmental Works
- MIL's Lawsons Siphon & Edward River Offtake
- The Edward - Wakool system west of Deniliquin
- Irrigation developments at Hay
- Nimmie-Caira and the Lowbidgee Irrigation District
- The Murray Darling Junction, Lake Victoria and The Anabranche
- Menindee Lakes System by air and land

During the tour the Minister made a particular point of the NSW Government's intention to resist further water buybacks until the Commonwealth can prove its ability to effectively deploy the water it has already recovered for the environment - a message strongly welcomed by Murray Irrigation Limited in its Media Release following discussions with him [[HERE](#)] in Deniliquin. The Minister has also moved to accelerate the Menindee Project; to supplement Broken Hill's water supply, and to implement infrastructure works to prove up savings in the management of the Lakes system. A vital dialogue between the Government water agencies and NSWIC on SDL Offset Projects being planned to meet NSW's commitment to its share of the 650GL of offsets under the MDB Plan has also commenced following concerns over the pace of progress raised with the Minister during the tour.

SDL Offsets Roundtable

Thank you to all our Members who provided guidance to their availability in Oct / Nov to attend an SDL Offsets meeting. We have forwarded this information to the Minister and the Office of Water to try and assist them in setting the date(s) for the SDL Offsets Roundtable(s).

Along with providing possible dates, we conveyed the importance and urgency of this SDL Offset process and our desire to have a minimum of two roundtables convened (one North and one South). We will keep you posted on the next steps.

National Water Commission

The Federal Government has introduced a Bill on the abolition of the National Water Commission on Thursday 25th September - [HERE](#). In line with the Federal Budget (2014-15), the Bill will devolve the key functions of the National Water Commission to other departments and agencies;

Productivity Commission:

- New responsibilities include the triennial assessment of the progress on the implementation of the National Water Initiative and the biennial National Water Planning Report cards as well as the five yearly audits of progress on implementing the Basin Plan (Part 3 of the Water Act).

Environment Department:

- New responsibilities include an assessment of milestone payments to MDB States against performance milestones specified in the National Partnership agreement and provision of ongoing advice on the status of relevant State and Territory water resource plans to the Clean Energy Regulator - as required under the carbon farming program regulations.

ABARES:

- New responsibilities include the monitoring of water markets and producing an annual water markets report.

BOM:

- New responsibilities include the National Performance reports for urban water.

Menindee Lakes

Upstream Water Access Restrictions

On Wednesday (10th September) the NSW Office of Water released the 7th Community Information Communiqué regarding the management of Menindee Lakes (2014-15). The full communiqué is available [HERE](#).

The document states that the current resource assessment shows Broken Hill's forecast water supply has fallen below the critical 18-month water security target. Given this trigger, contingency measures for the Lower Darling will be implemented from next week to extend access to critical water supply needs to Broken Hill. In addition, there will be consultation with upstream catchment regarding possible restrictions on access to flows.

NSWIC has asked for NOW to provide information on when it is likely that the Lake Menindee Borefield Project announced by Water Minister Kevin Humphries could provide supplementary groundwater into the Broken Hill supply, and we will also be raising the issue with the Deputy Director General of Water, Michael Bullen, as to

whether restrictions on northern valleys will be implemented if water saved is unlikely to reach the Menindee system.

Menindee Lakes – Reference Group

In light of the recent developments with the Menindee Lakes system, we are again setting up a Menindee Lakes reference group. Information and topics will be advised.

Mining & CSG Info

PAC - Watermark Coal Project

The Planning and Assessment Commission has released the Review Report on the Watermark Coal Project. The full report can be accessed [HERE](#).

The PAC recommended that the exploration licence should be amended to remove the black soils of the Liverpool Plains. In addition, the Commission recommended that following on from the work undertaken in the New England North West Regional Land Use Plan, the NSW Government should undertake some more detailed work or refinements to identify and protect those highly valuable, fertile black soil from mining.

The report followed with;

Given the critical importance of the region's water resources to maintaining strong agricultural production, the Commission is convinced that the uncertainties identified by Dr Mackie need to be resolved prior to any determination of this application

The PAC recommended that the mine is approvable, subject to some further water modelling to confirm the predicted level of impact on water.

Extended Freeze on Petroleum Exploration Licence Application

Minister Roberts announced an additional 12 month freeze on NSW Petroleum Exploration Applications and Petroleum Special Prospecting Authority applications on Thursday 25th September. The Minister's media release can be accessed [HERE](#).

The timing of the release is interesting given the release of the Energy Green Paper on Tuesday (23rd September) in which it is suggested that a "rapid expansion of CSG projects could help counter potential near-term shortages in the east coast domestic gas supply". The Green Paper continues, "Given the importance of some projects, the Australia Government could coordinate and monitor Australian Government and State and Territory approval processes. This role could also include recommending improvements to approval processes to better achieve results."

It seems the State and Federal Governments are singing a different tune...

AGL Gloucester CSG Site Tour

We asked for and have been given an opportunity to attend a site inspection at the AGL Gloucester CSG project area on **Wednesday 22nd October** (AGL information website [HERE](#) / map of the area [HERE](#)).

Further to the Santos Pilliga tour in June, we received feedback regarding potential visits to other CSG operations (a fully operational site; a site where some longer term rehabilitation / revegetation has taken place; where Hydraulic Fracturing is used; options where the use of and treatment of produced water exists). The AGL Gloucester site is utilising Hydraulic Fracturing and has a produced water irrigation trial / desalination set-up.

AGL has recently received approval to flow test four wells in the Waukivory Pilot Program at Gloucester. Hydraulic Fracturing will be used to gain an understanding of the water and gas characteristics. To deal with produced water, AGL has started a produced water irrigation trial program that involves the blending of water produced from the wells with fresh water and then utilises this water to irrigate crops over a 12 ha area, while studying the potential impacts on the soil and crops.

Energy Update

Energy Efficiency Pilot Project

Applications to the Energy Efficiency Pilot Projects are now closed. We thank everyone who put in an expression of interest for the project.

As a next step, we will work with the Office of Environment and Heritage and the pilot project participants to analyse the energy efficiency on farm and arrange a number of site visits with the external auditors.

Energy Forum

We attended an Energy Forum on Monday (22nd September) in Sydney to discuss strategies around rising electricity costs. The forum was organised by Tom Chesson from the National Irrigators' Council and attended by a range of agricultural industry representatives from QLD, NSW and VIC.

A Taskforce was established at the meeting to identify opportunities to decrease costs, increase transparency, remove distortions and deliver a fairer system.

Energy White Paper (Green Paper)

Minister Macfarlane has released the Energy Green Paper on Tuesday (23rd September) - [HERE](#). The Minister stated in its media release ([HERE](#)) that the energy sector is a fundamental pillar of the Australian economy and that the final white paper will provide the blueprint that 'equip Australian policy-makers, industry and consumers to identify opportunities and challenges'.

The Green Paper has four broad themes;

- Attracting energy resource investment
- Moderating Electricity Prices
- Building Gas supply and improving market operation
- Future energy supply (including alternative energy sources)

A concise Briefing Paper (prepared by Barton and Deaken) on the Energy Green Paper can be accessed [HERE](#).

In terms of electricity, the Green Paper outlines some broad policy preferences that we will need to watch closely, including the move to more 'cost-reflective' electricity tariffs, the privatization of state electricity assets, and changes to the current governance arrangements.

In terms of gas, the Green Paper focuses on supply side solutions and how to expand the current eastern gas market further. The paper makes several mentions of possible Commonwealth involvement in State's approval and monitoring processes, however without providing clear approaches or frameworks.

Australian Energy Market Commission (AEMC) Rule Changes

We attended an AEMC Roundtable on Monday (22nd September) for the proposed rule change to the Distribution Network Pricing Arrangements (electricity network tariffs) - [HERE](#).

The draft rule change proposes that all tariffs will be set (and approved by the Australian Energy Regulator) having regard to the network pricing objective ***that tariffs that a Distribution Network Service Provider (DNSP) charges for its services should reflect the DNSP's efficient costs of providing those services to each consumer.***

The principles underneath this objective are that tariffs:

- Send appropriate and clear signals to consumers about the cost of using the network
- Allow the network to recover the total efficient costs of providing the network services
- Enable consumers to respond to the price signals
- Allow networks to meet jurisdictional obligations.

The clear, unequivocal message from the AEMC Chairman is that its primary focus is to ensure there is nothing in the National Energy Rules that prevents cost reflectivity in tariff structures. He went on to say that "equity and fairness are not our concern. The

impact on regional areas and welfare recipients is a matter for Governments.”

This could be a significant challenge for us and we will work closely with the AEMC, AER and the NSW Government to address the impact of rule changes on power costs for regional irrigation communities.

Water Management Amendment Bill 2014

The Water Management Amendment Bill 2014 has now been passed.

You may recall that the introduction of the Bill into parliament was preceded by a range of short notice briefing sessions by NOW in Sydney, Griffith and Narrabri in April this year. While we disapproved of the rushed consultation process, we acknowledged that the Bill included a range of positive amendments we'd been seeking for many years.

As a recap the Bill included;

- Provisions for the issue of Floodplain Harvesting licences;
- Provisions for Supplementary Licences to be issued in perpetuity;
- The streamlining of processes (cost reductions for applications)
- Clarified definitions of overland flow water, floodwater, rainfall run-off
- Changes in the benchmark against the setting of allocations 'worst period of low in flow'
- New term water allocation dealing

We welcome the passing of the Bill as it will achieve some long standing policy goals of NSWIC.

Local Engagement Officers

The Commonwealth Environmental Water Holder (CEWH) has announced the names of the Local Engagement Officers (LEO) - media release [HERE](#).

The six LEO's are as follows:

- Michelle Campbell, Berri, South Australia
- Richard Mintern, Mildura, Victoria
- Ken Harrison, Dubbo, New South Wales
- Linda Duffy, Deniliquin, New South Wales
- Erin Lenon, Leeton, New South Wales
- Rosemary Millward, Goondiwindi, Queensland

These positions will start taking effect in September / October this year. More information on each of the LEO's is available [HERE](#).

Working with the CEWH, the goal is to have these LEO's harness local knowledge to ensure that environmental water is optimised.

Controlled Allocation Order

Groundwater

The NSW Office of Water announced a controlled allocation order on Tuesday 09th September. This was made under section 65 of the Water Management Act 2000 and is now releasing a limited number of shares in specific groundwater sources

Registering your interest to obtain a right to apply for some of this unassigned water must be made by **20 October 2014**. Details of the areas being made available and process are highlighted [HERE](#).

Productive Water Journal

We are preparing articles for the next Productive Water Journal (November). It has been a while since we produced the last edition, but the interest in maintaining this magazine and the appreciation of the information delivered is still there.

So if you have any topics or articles you would like to see included or can assist in writing, we would be very interested to hear from you.

Australian Water Association

The AWA is hosting a National Water Policy Summit - 14 & 15 October in Sydney.

Although mostly concerned with urban water issues, there are a few topics which might interest our Members.

- Climate variability and how governments and industry need a new approach to planning
- Reforming how the water sector is regulated and structured
- Private sector participation in the management of our rural and urban water assets to expand our productive industries
- Adjusting community perceptions and values of water

If you are interested and would like further information, you can access it [HERE](#).

National Farmers Federation Update

The NFF announced the appointment of Simon Talbot as the new CEO of the NFF ([HERE](#)). Mr Talbot will commence his role on Monday 20th October. We welcome Mr. Talbot to this role and look forward to working with him and the NFF in the future.

NFF Weekly Update

Distributed to their Members each week, to access these newsletters, click the link beside the date for each issue.

05 September – [HERE](#)

12 September – [HERE](#)

19 September – [HERE](#)

26 September – [HERE](#)

ABARES REPORTS

Climate, Water and Agriculture ABARES Updates

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