

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

#### **Meeting With MDBA CEO**

CEO Mark McKenzie met with MDBA CEO Rhonnda Dickson on Wednesday 01 October to discuss current NSWIC concerns on the transparency of MDBA River Murray Operations and Shared Program costs which are borne in significant part by irrigators in the NSW Murray and Murrumbidgee via State Water charges. River Murray Operations efficiency is the subject of a review which State and Federal Ministers will discuss in late October to allow 2015 - 16 budget considerations to be made by the Ministerial Council. Mark stated the desire of irrigators to have a clear picture of what is included in the MDBA charges and what irrigators are and are not paying for. NSWIC has secured a commitment from MDBA for the release of information on corporate plan settings, program budgets and joint program costs for circulation to Council Members.

In other discussions NSWIC's concerns on the monitoring and evaluation framework for the Basin Plan social and economic impacts were reinforced, with Ms Dickson asked to expedite the Authority's efforts to establish a baseline assessment of the impact on regional communities and irrigators of taking water out of productive use so far, and a methodology to assess the impacts of the fully implemented Plan. While MDBA does not agree with the NSWIC view that the current framework for assessing social and economic impacts is flawed, the exchange of views was worthwhile in reiterating the need for a meaningful triple bottom line impact assessment.

#### **Craig Knowles Retires from the MDBA**

Craig Knowles has announced his retirement from the Murray-Darling Basin Authority. He will depart in January 2015 which will be the end of his four year term. The media release issued by Senator Birmingham's office and the MDBA can be accessed [HERE](#).

## **MDBA Environmental Watering Strategy**

We have now submitted our response to the MDBA Environmental Watering Strategy. The final submission can be accessed [HERE](#).

Thank you to all our Members who provided input to the draft submission.

## **Water Ministers Meet**

The State and Commonwealth Water Ministers met in Brisbane Wednesday 17 Oct. with the Ministerial Council communiqué [HERE](#). The key order of business was a review of the draft report on the Efficiency Review of MDBA River Murray Operations (RMO) - which has been at the centre of friction between the NSW Government and Authority over RMO and Joint Program contributions by the State Government. The communiqué was quiet on any rancour over the MDBA program costs, but so far no more information to hand on what this might mean for future NSW contributions to this Authority budget. Some information on MDBA costs has been received from the MDBA, but the office is seeking more comprehensive data that may now be available following the Ministerial review.

## **Sustainable Diversion Limit Offset Projects**

On Tuesday 30 September MDBA managers briefed NIC and NSWIC on the state of play with MDB Plan SDL Offset Programs to be counted against the target of 650GL of water recovery for the environment through works and measures. The key items of note for NSW were:

- The degree of interaction between the Northern and Southern Basin is still being reviewed.
- No specific SDL offset programs for the NSW Northern Basin have yet been submitted, but 3 additional programs for the south were submitted by the NSW Government in September - CARM in the Murrumbidgee; reconfiguring the environmental watering infrastructure at Nimmie Caira; and changing the management of the weir pool levels at Locks 8 and 9 on the Murray.
- The business case for the Menindee Project is expected by the end of 2014.

NSWIC is seeking more information on the Hume Dam Airspace Management Project proposed by Victoria that will also provide an offset for NSW. This and The Living Murray program engineering works at Perricoota - Koondrook are the other projects from NSW listed so far. The full list of potential NSW SDL Offset projects will be reviewed at two Government / NSWIC Roundtable. This roundtable is not set for Friday 14 November in Sydney.

## **SDL Offsets Roundtable**

Notification was received that the NSW Office of Water will hold an SDL Offsets Roundtable in Sydney on **Friday 14 November**.

The meeting will provide stakeholders with an update on currently identified SDL Offset projects as well as opportunity to identify potential projects. Our hope is that during this meeting, Members who have identified projects / rule changes that were missed or not developed properly will provide detail and supporting material to have them added to the list of projects.

We have requested that this be a focused and results driven meeting, with the objective of delivering as many projects as possible to offset NSW SDL's (as long as they meet the required criteria). If projects do not meet the criteria or have not been developed, we feel there will not be enough time on the day to build a case for them.

### **CRITERIA FOR SDL OFFSET PROJECTS**

- ***Complementary to the proposed SDLs in the draft Basin Plan by either reducing the volume of consumptive water used or using environmental water more efficiently***
- ***Consistent with the environmental objectives and targets in the draft Basin Plan***
- ***Sufficiently large that the benefits can be assessed using current technology and provide a catchment-wide benefit***
- ***Individually robust so that: other proposals would not erode its benefits; or it is not dependent on other proposals proceeding;***
- ***Cost-effective: generally no more than three times the cost of purchasing entitlement to achieve the same volume of water;***
- ***Achievable using existing proven technology.***

## **National Water Infrastructure Roundtable**

Mark McKenzie attended the Roundtable in Canberra on Wednesday 29 Oct. at the invitation of Agriculture Minister Barnaby Joyce, who chairs the Water Infrastructure Ministerial Working Group (previously described as the Dams Taskforce). The Working Group has released an Options Paper which includes a number of NSW projects already funded with the assistance of the Commonwealth; projects less advanced in planning but which may attract funding support; and projects for further consideration and feasibility study. The target projects are briefly outlined below:

### **Projects Already Funded**

- Chaffey Dam extension - although it is noted that the NSW Government has raised the further doubling of Chaffey's capacity to 200GL. (MDB)
- Menindee Lakes - \$180 million allocated for the project of new regulators between lakes and into the Anabranche, a higher capacity outlet into the Lower Darling, and for drainage channels within the Lakes to harvest more water (MDB). (However NSWIC notes that the final shape of the works and management arrangements for Menindee Lakes are not yet fully settled).

### For Further Consideration & Accelerated Feasibility Studies

- Apsley Dam at Walcha
- Enlargement of the Lstock Dam in the Hunter Valley - mainly to augment urban and industrial supplies.
- Mole River Dam - west of Tenterfield (MDB)
- Needles Gap Dam on the Belubula River in the Lachlan Catchment (MDB)

The Working Group is also seeking additional information to allow for categorisation of these NSW project proposals:

- Gwydir River including a Horton River storage (MDB).
- Macquarie River storage proposals (MDB).
- Pindari Dam extension (MDB).
- Refurbishment of groundwater monitoring assets and surface water gauges.
- Works and Measures on Locks and Weirs - particularly on the Murray.

## Electricity Update

### **Network Rule Changes**

The Australian Energy Market Commission has released the draft determination on the Distribution Network Pricing Arrangements (Network Tariff Structure) - [HERE](#).

Thank you to all our Members who provided feedback on our draft submission to the Australian Energy Market Commission on network pricing. Our final submission can be accessed [HERE](#).

### **Senate Inquiry into Electricity Networks**

Senator Milne initiated a senate inquiry into Network Charges and Electricity Regulation. The terms of references are available [HERE](#).

We have prepared a draft submission for the Standing Committee on Environment and Communications. The draft submission can be accessed [HERE](#).

Submissions need to be lodged with the committee by **21 November**.

### **Energy Saver Pilot Project Update**

We have now completed the audit scoping discussions with the participants to the Energy Efficiency Pilot Project and have also commenced the on-farm auditor visits. The preliminary auditor assessment shows some great possible cost savings. We will keep everyone informed on the progress of the pilot project.

## Energy Green Paper

In response to the release of the Federal Energy Green Paper ([HERE](#)) on 26th September, we have prepared a submission which is available - [HERE](#).

## Energy in the News

There were a few news stories on electricity recently, which included the release of the Ernst and Young Electricity report ([HERE](#)) – Monday 13 Oct. The study found that regional areas are nearly twice as likely to pay their electricity bills late because they could not afford it.

The story was picked up by ABC Rural with [THIS](#) story and the Sydney Morning Herald followed up with [THIS](#) release.

## Mining and Coal Seam Gas

### Chief Scientist Report

The much anticipated final report into Coal Seam Gas operations by the Chief Scientist, Mary O'Kane was released on Wednesday 01 October. Access all six parts [HERE](#).

The report identifies many issues around exploration, operation and compliance within Coal Seam Gas operations in NSW. With a list of 16 recommendations, the report is a thorough examination of the industry, its regulation and future. NSWIC will be working with NSW Farmers and Cotton Australia to evaluate all the recommendations and establish a joint approach.

### AGL Gloucester Site Tour

Our full office team, along with Tom Chesson from National Irrigators Council, Danica Leys from NSW Farmers, Siobhan Barry from Cotton Australia, Mike Cahill from Digital Farm TV, George Davey from Dairy Connect and Tanya Cameron from the Country Women's Association spent the day with AGL discussing their CSG operation in Gloucester on Wednesday 22 October.

The "Waukivory Pilot Project" in Gloucester (3 1/2 hrs from Sydney) was our destination. Having just received Government approval to commence hydraulic fracturing at their four test wells, we were not the only ones 'visiting' the site on Wednesday 22 Oct. A group from Lock the Gate had set up camp outside the entrance to the CSG operation, but we still were able to get an up close and personal look at their operation.

The crews from Halliburton had just arrived and were very busy setting up the fracturing equipment, which meant we were unable to exit the bus, but we definitely got to appreciate the size and scope of the operation. The fracturing process along with our

impressions and information on their new plans for the treatment of produced water will be included in a summary report of the visit.

### **Coal Exploration Steering Group**

Mark and Mark attended the first information session from the Coal Exploration Steering Group in Sydney. This steering group was a direct result of ICAC's report on "Reducing the opportunities and incentives for corruption in the state's management of coal resources". The focus will be on where, when and how to release coal resource areas.

Although we are not a part of the steering group, we are included in consultation as a stakeholder (with Cotton Australia, NSW Farmers, Thoroughbred Breeders, Hunter Communities Network, and mining and environmental groups). A copy of the presentation that Chairperson Percy Allan delivered is available [HERE](#). The next meeting is on Wednesday 12 November.

### **Exploration Licence Cancellation**

Minister Roberts released a media statement on Tuesday 14 Oct. announcing that the NSW Government had cancelled three petroleum exploration licences from Leichhardt Resources Pty Ltd in Nowra, Rylstone and Moree. The Minister stated that the exploration licences were cancelled due to 'non-compliance with the requirement for community engagement'.

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

The cancellation came just weeks after Minister Roberts extended the freeze on new exploration licence applications for another 12 months.

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## **National Water Commission**

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### **NWC (Abolition) Bill 2014**

The Senate has referred the National Water Commission (Abolition) Bill 2014 to the Environment and Communications Legislation Committee for inquiry. A report from the Committee is due **24th November**.

The Bill can be accessed [HERE](#).

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## Competition Policy Review

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The Competition Policy Review panel released its draft report on Monday 22 September. The full report can be accessed [HERE](#).

From a water perspective, the report includes some noteworthy comments and recommendations (not all are positive). We compressed the recommendations into a short briefing paper that can be accessed [HERE](#).

### **Agricultural Competitiveness Green Paper**

The Federal Government released the Agricultural Competitiveness [Green Paper](#) on Monday 20 October. A short Briefing Paper from NSWIC is [HERE](#).

The Agricultural Green Paper makes explicit recommendations on major infrastructure projects (dams) in NSW. As a range of media releases [HERE](#) and [HERE](#) highlight, there is a strong push from the Minister to progress on future dam infrastructure. His media release which was published on the day of the release of the Agricultural Green Paper [HERE](#) supports this position.

We will prepare a draft submission for the Green Paper (submissions are due **12 December**)

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## Water Trade Restrictions

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There have been some interesting developments in the water markets recently.

The MDBA announced a restriction on trade from above the Choke to below the Choke on Tuesday 28 October. According to the media release ([HERE](#)) the restriction was put in place due to 'channel capacity constraints'. This announcement came as a bit of a surprise since the MDBA indicated in its release on 19th June ([HERE](#)) that trading from above to below the Choke will be allowed to continue into the 2014-15 water year.

In addition, the NSW Office of Water announced on 29th October the closure of trade out of the Murrumbidgee valley. The NOW media release ([HERE](#)) stated that the trade restriction was imposed since 50 GL was traded out of the valley in the previous two weeks causing the Inter - Valley Trade account to reach 150GL. The media release however confirmed that allocation trade into the Murrumbidgee Valley and within the Murrumbidgee Valley is not affected by the restriction.

## Murrumbidgee & Yanco Creek E-Flow Releases

Any Members who are interested in receiving SMS and email notification of the environmental watering events for the Murrumbidgee & Yanco Creek can do so by providing us (NSWIC) with the mobile number and email address you wish to receive this information on. The Office of Environment and Heritage (OEH) provides this information to anyone who wishes to receive it.

To further explore what environmental watering events are planned and the conditions required to trigger these events, please visit to the OEH website [HERE](#).

## Deputy Director General – Water

Applications for the position of Deputy Director General Water in the DPI management structure closed on Sunday 19 October - meaning the naming of the new head of water administration in NSW will be made shortly. First order of the day for the new incumbent will be overseeing the restructure of NOW and the merger of State Water with the Sydney Catchment Authority to form the new Water NSW.

## NSW Irrigation Efficiency Projects Funding

Federal Parliamentary Secretary for Environment Senator Simon Birmingham and NSW Natural Resources, Lands and Water Minister Kevin Humphries announced a \$350 million package for irrigation efficiency projects in NSW on Tuesday 21 October.

The media release is available [HERE](#).

The funding measures include both new funding measures and repackaging of previous funding commitment. By way of clarification on some of the programs:

- The \$28 million for the expansion of Irrigation Farm Modernisation is targeted to Northern NSW valleys within the Murray Darling Basin.
- The \$125 million for Round 5 On Farm Efficiency Program delivery is targeted at valleys within the NSW MDB that still have a gap to bridge to meet their downstream targets for water recovery for the environment under the Plan.
- The funding for the Southern connected Metering Project (\$31.5 million) is expected to complete this project, but the proposed Northern Metering Project is being discontinued.
- The investment of \$66 in additional Infrastructure Projects in the NSW MDB is under active consideration between the Federal and NSW Governments.

Timelines for funding applications and further program details should be released soon.

## Council Meetings

NSW Irrigators' Council held its Annual General Meeting on Thursday 06 November in Sydney. Two new Directors of the Council were elected at the Meeting - Perin Davey from Murray Irrigation, and Tim Napier from Border Rivers Food and Fibre. They replace Ted Hatty from Southern Riverina Irrigators and Tim Duddy from Namoi Water.

## Digital Farm TV

Many of you may already be watching this station and getting news updates and general information from here, but in case you have not, here is some information on the site.

Digital Farm TV is an online news platform for agriculture and agribusiness. Established in 2011 it was created to fill a gap in the way agricultural news and information was being delivered in Australia.

They provide weekly rural and innovation reports (in video) direct to your desktops, laptops or mobile device. This could be looked at as a succinct cross-industry news update in about 10 minutes. Interested in having a look? Link to the site [HERE](#).

## 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.

03 October – [HERE](#)

10 October – [HERE](#)

17 October – [HERE](#)

24 October – [HERE](#)

31 October – [HERE](#)

## ABARES REPORTS

### **Climate, Water and Agriculture ABARES Updates**

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