

**TRADE & INVESTMENT,
REGIONAL INFRASTRUCTURE & SERVICES**
NSW Office of Water – Executive Services

Director-General Briefing

DIARY BRIEF

Meeting / Event:

Meeting with the Hon Kevin Humphries MP, Minister for Western NSW, Member for Barwon with Ms Renata Brooks, Executive Director, Agriculture & Primary Industries, Science and Research, representing Dr Richard Sheldrake.

Comment:

David Harriss, Commissioner NSW Office of Water, met with the Hon Kevin Humphries MP, Minister for Western NSW and Member for Barwon on 12 April 2011 to discuss Barwon-Darling and Menindee Lakes water management issues. Following this meeting, a briefing was prepared for the Minister recommending that the Minister meet with Minister Humphries together with David Harriss to discuss issues further. Dates for this meeting are yet to be set.

Four issues have been identified from the NSW Office of Water portfolio that may be raised at Minister Humphries' meeting with Ms Brooks:

1. Barwon-Darling cap management;
2. Menindee Lakes;
3. Barwon-Darling licence conversions; and
4. Intergovernment Agreement for the Paroo River between NSW and QLD.

Briefings on these three issues are attached at **Tabs 1, 2, 3 and 4** respectively.

Recommendation:

That Ms Brooks notes the above and attached information.

Diary brief prepared by Ashleigh Jones, Acting Senior Policy Officer, Executive Services
30 June 2011

Acting Manager Parliamentary Services

Director Executive Services

Ministerial and Executive Support Elizabeth Street

Director-General

Issue – Barwon-Darling Cap Management

In the Barwon-Darling Valley, the Murray-Darling Basin Cap was originally estimated as an average long term extraction of 173 GL per year. NSW reports use in the Barwon-Darling Valley as a component of the combined Barwon-Darling and Lower Darling Valleys.

Long-term modelling and annual accounting for Cap has consistently indicated that diversions in the Barwon-Darling Valley have grown beyond the Cap despite revisions made to allocation arrangements in 2006 and 2010. The combined Barwon-Darling and Lower Darling Valleys have been declared in breach of Cap by the Murray-Darling Basin Ministerial Council.

In early 2010 it was proposed that the annual average allocation for the valley be reduced from 173 GL to 143 GL for a period of ten years. In addition, water users were to be limited to a maximum extraction of twice their allocation in a single year, and required to balance their account on a three-yearly basis (that is, over three years they could only extract three times their annual allocation). Following concerns from Barwon-Darling Irrigators, and with the agreement of the Murray-Darling Basin Ministerial Council, the introduction of the revised cap arrangements was deferred for 12 months to allow for an assessment of the effectiveness of 2006 arrangements during the 2009-10 period, which contained some significant flow events.

Comment

The assessment of Cap performance in 2009/10 is now complete. It found that diversions again exceeded the Cap target, in this case by 13.5 GL. Cumulative diversions were reported as exceeding the cumulative Cap by greater than 300 GL.

The NSW Office of Water has revised metering data with new meters installed and recalibrated the Barwon-Darling extraction model. The Cap calibration report for the Barwon-Darling extraction model is virtually complete and will be sent to the Murray-Darling Basin Authority and the independent reviewer for accreditation soon.

Additional Information (not for release)

The recalibration currently indicates a new Cap figure of 198 GL, which would result in cumulative diversions exceeding the cumulative Cap by 125 GL, as opposed to 300 GL.

Suggested response

A brief has been prepared for the Minister on this issue, which recommends that Cap strategy for the Barwon-Darling be further discussed at a meeting between Ministers Hodgkinson and Humphries, and David Harriss, Commissioner, NSW Office of Water.