

A Report of Meetings with NSW Irrigators Council 28 Feb to 3 March 2017

Draft

I attended a series of meetings held in Sydney last week.

This included a meeting with Darcy Moar who is Minister Blair's Water Advisor, 2 days of meetings with NSW Irrigators Council (1st and 2nd March) and also with Monica Morona from DPI on Friday 3rd.

First, some definitions and acronyms.

PPM's – Prerequisite Policy Measures. In effect changes in Policy which allow other things to happen.

SDL's – Sustainable Diversion Limit Offsets. In effect a unit of currency under the Basin Plan with the Plan committing to 650 Gl equivalent of SDL's. In effect, changing the way things are done to get environmental benefits equivalent to an acquisition of 650Gl of actual water. Menindee Lakes will be the largest source of these in NSW.

Downwater – the 650Gl of SDL's. 2100Gl of 'acquisitions' plus 650 Gl of SDL becomes the 2750Gl main Plan figure.

Upwater – the difference between the 2750GL main Plan figure and the 3200GL total figure. So there is 450Gl of 'upwater'. This is highly contentious but cannot be delivered unless there are no adverse social or economic impacts. There is no definition of what 'economic neutrality' actually is – so a consultant has been sent off to try and work it out. Tony Burke's comments in recent weeks complicate this.

Water Sharing Plans (WSP) – these are State based documents setting out how sections of rivers are managed. They are done by sections of river with no connectivity along a river. All WSP's are currently being reviewed. Rachel Strachan is on the Murray Lower Darling panel.

Water Resource Plans (WRP) – these are a requirement under the Basin Plan. The intention is that WSP's as State documents will become WRP's under the Basin Plan. They should be more integrated than WSP's and specifically include issues of river management and cultural water.

Northern Basin Review – a MDBA review of impacts of the implementation of the Basin Plan in the Northern Basin. The irrigation industry in the North has 'spun' this to suggest the Plan is a disaster for the North but this is only Spin. The review does not say this.

The Northern Basin Toolkit – a collection of PPM's recommended by the Northern Basin Review to allow for better use of environmental water acquired upstream.

Complementary Measures – proposals which gain environmental benefits without the requirement for actual water. Examples include the release of the Carp virus, improvements in fish passage and lessening of cold water 'pollution'.

The Basin Officials Committee (BOC) – the senior departmental officers from each of the States and Canberra. Gavin Hanlon is the NSW member of BOC

MINCO – the Basin water ministers both State and Federal– so Niall Blair from NSW. Barnaby from Canberra.

Cultural Water – referred to as a requirement to be included in WRP's. There are divergent views on what this means – but in a Darling context I have a high regard for Badger Bates' suggestions. He wants water in his river. And this is fundamentally about allowing small flows through the system particularly in dry years.

There was a wide range of topics with frequent overlap between meetings. I will attempt to cover the issues directly relevant to this region rather than a log of individual meetings. Suffice to say there are some massive threats to water supply in The Lower Darling/Anabranch. Apart from myself, no-one else seemed to be worried about this.

The Key Issues

- From Gavin Hanlon, a categorical refusal to include any 'whole of river' rules in WSP's. So a direct veto on any requirement for operating rules covering connectivity along the river. He apologised to Northern Irrigators for having to include reference to this option in the original review papers – he 'just had to list every option' – but will categorically veto any rule based recommendations coming from the review process which cover connectivity along a river as a component of either a WSP or a WRP. He apologised for previous policies to do this (embargoes) and noted 'they (DPI) are still recovering from the consequences of this'
- From Gavin Hanlon, a preference for a 'market based' approach to river connectivity. Literally this means paying upstream irrigators not to pump so as to get water downstream. This would of course mean paying the opportunity cost of not growing a crop – not just the pumping cost or current water value on the temp market. David Papps as CEWO is apparently supportive of this. Me thinks the lunatics are in charge of the asylum. At the very least this is a complete refusal by NSW to have any direct governance requirements around river management.
- From Gavin Hanlon and Monica Morona, a categorical statement that they will veto all of the Northern Basin Toolkit recommendations. They will never restrict upstream pumping for any downstream issue. They will not implement any PPM's in the Northern Basin. Monica apologised to Northern Irrigators for a draft paper which had suggested there could be PPM's in The Northern Basin.
- From Gavin Hanlon – a stated intention to review The Water Act. He apologised that the current Act reads like a bit of an environmental act and that this was obviously not acceptable. Again, removing any obligations for NSW to have river management objectives in its water legislation.

The NSW Commitment to SDL's

Under the Basin Plan, NSW is required to produce 315 SDL's in the NSW Southern Basin (Murray, Bidgee, Lower Darling). Current guestimates have identified 130 in a collection of about a dozen projects, in excess of 110 specifically from Menindee and a remaining balance of about 70 with some options identified for these.

Specifically, Menindee is the largest source of SDL's in NSW. It is worth noting that the political risk from changes at Menindee is less than that which would be incurred by actions in other places which would generate similar results.

There is a requirement that there must be no adverse 3rd party impacts from the generation of SDL's. It is questionable whether this will be taken seriously at Menindee.

There is no definition of what an SDL actually is but in effect SDL's are generated at Menindee by storing less water and using it quicker so there is then less evaporation at Menindee and the SDL computer model in Canberra says this makes SDL's.

In combination with lower inflows from upstream – in particular far greater extraction of small flows in dry years – this becomes a perfect storm for water reliability on The Lower Darling.

The current 480/640 rules at Menindee are likely to be changed as part of this. The lower the numbers the greater the SDL's generated. I would suggest the 'balance of probabilities' will be that there will be no NSW reserve policy –and in effect full MDBA control of Menindee Lakes. The original intent of the 480/640 rules was 2 years of reserve for Broken Hill and The Lower Darling.

The Broken Hill Pipeline covers the adverse impacts to water supply to Broken Hill. The proposal for removal of permanent plantings downstream of Menindee covers the impacts to high security licences and permanent plantings.

There remains the impact to the River, to general security reliability and to the 70 families and about 250,000 sheep currently reliant on The Lower Darling for Stock and domestic water. These are ignored to date.

The current timelines for SDL projects is processing through the agencies and Basin Officials Committee prior to formal recommendations being made at the MINCO meeting in mid June this year. There will be some opportunity for consultation following this and then final decisions by the end of this year.

The Menindee Lakes Project

This is a collection of proposals concerning the operation of and modifications to The Menindee Lake System.

It includes rule changes which would require renegotiation of The Murray Darling Basin Agreement, physical infrastructure such as greater outlet capacity at Lake Menindee as well as changes as to how The Anabranch would be run. Readjustment options such as The Broken Hill pipeline and the Removal of Permanent Plantings Proposals are also included.

In a practical sense this project is now focussed on the SDL requirements in NSW.

Murray Lower Darling Water Sharing Plan Review

As mentioned earlier, Rachel Strachan is on this group. But there is a deficiency in no involvement from anyone neither from Western Murray – nor from any private diverters from downstream of Deniliquin. I expect this deficiency will be rectified.

From a Lower Darling perspective there is a need for some major changes so as the Plan lines up with actual water.

From a river management perspective, and particularly in the context of proposed changes at Menindee, there is a critical need to achieve linkages with upstream flows. Notably there is a need for outcome based systems which give priority to the River and the people who live along it.

Our challenge is that this is directly opposite to current State policy.

NSW Irrigators Council Issues

Adoption of a formal 'behaviour' policy has become necessary. This is a consequence of some members from The Murray upstream of us becoming aggressive towards other Council delegates and observers. It is sad but necessary.

Alan Whyte

6th March2017