

MPII UPDATE

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JUNE 2011

FROM THE CHAIRMAN

At the time of writing many of you will be looking for a nice soaking rain to assist with the germination of our winter cereals. However, for those growing cotton in the region the relatively dry conditions are welcomed until their harvest is complete.

It is pleasing to be reporting that allocations for the coming spring are looking as positive as one would expect giving us all the confidence to drive our farming operations forward to capitalise on such an event.

We wait with baited breath for the next big event of the roll out of the proposed guide to the Basin Plan and have been informed to this point that it will be released sometime in July 2011. MPII have had the opportunity to meet with Craig Knowles, Chair of the Murray Darling Basin Authority (MDBA) on several occasions and even had him trapped in a vehicle for over an hour to thrash out our concerns on issue such as the **best available science** findings being used in the first draft, extremely poor **community consultation** and **local knowledge being sourced** and the **lack of an Environmental Watering Plan**.

Some traction has been gained with the announcement that the Basin Plan will not be implemented until 2019 which will bring the States into alignment. Prior to this policy decision NSW stood to be disadvantaged in terms of being targeted for buyback.

Whilst Craig Knowles, the House of Representatives Windsor Inquiry and the Senate Committee Inquiry are all leaning our way towards a balanced approach to ensure communities are not decimated to save the environment, at the end of the day the Minister in power at the time of implementation will have the final call.

Please read following articles in the newsletter for finer details.

Kind regards

Murray Shaw



Photo courtesy of the
NSW Office of Environment
and Heritage

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HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON REGIONAL AUSTRALIA

INQUIRY INTO THE IMPACT OF THE GUIDE TO THE MURRAY DARLING BASIN PLAN

THIS REPORT DOES NOT Make recommendations on issues outside its remit, such as:

- specify a SDL different from that in the Guide;
- quarantine regions from the Basin Plan;
- that the *Water Act 2007* be amended or withdrawn;
- that the idea of a Basin Plan be withdrawn;
- that the MDBA be disbanded; and
- that individual projects be given approval or funding.

THE WATER ACT

While not in the terms of reference for this inquiry, the Committee heard extensive concerns about the Act and its role, primarily that it does not take adequate consideration of a 'triple bottom line' of social, economic and environmental needs.

The Committee understands that the Act is a matter of concern for many. However, a focus on the possible amendment of the Act is a distraction from the core issue of achieving a healthy and sustainable Basin.

Prof. George Williams, University of New South Wales

"the difficulty here is that this has already been tried and the Water Act is a product of a failure to agree on a cooperative scheme in the past. To go down that path you would have to hope that agreement could be reached when it proved impossible some years prior."

Hon Tony Burke MP, has stated in the Parliament:

For this reason I sought legal advice from the Australian Government Solicitor to determine whether the interpretations referred to publicly by the MDBA matched the requirements of the act. I also stated here in the House that following receipt of the advice I would make it public. This morning I received the advice. It was made available to the opposition, Greens and Independents earlier today and I now table the advice. Broadly, the advice outlines that the Water Act:

- gives effect to relevant international agreements,
- provides for the establishment of environmentally sustainable limits on the quantities of water that may be taken from basin water resources,
- provides for the use of the basin water resources in a way that optimises economic, social and environmental outcomes,
- improves water security for all uses, subject to the environmentally sustainable limits, maximises the net economic returns to the Australian community.

Much has been made of the international agreements which underpin the Water Act and it has been suggested that these agreements prevent socioeconomic factors being taken into account. In fact, these agreements themselves recognise the need to consider these factors.

The act specifically states that in giving effect to those agreements, the plan should promote the use and management of the basin water resources in a way that optimises economic, social and environmental outcomes. It is clear from this advice that environmental, economic and social considerations are central to the Water Act and that the Basin Plan can appropriately take these into account. I do not offer the advice as a criticism of the MDBA. What is important now is how the MDBA now responds to this legal advice.

LIST OF RECOMMENDATIONS

The Murray-Darling Basin

Recommendation 1 The Committee recommends that the Commonwealth Government commission a study to identify all regulations and agreements in place that inhibit the efficient management of water in the Murray-Darling Basin and, where appropriate, work with the states to remove these regulations.

The Guide

Recommendation 2 The Committee recommends that the MDBA apply greater rigour to the assumptions made

to develop the proposed SDL's, including the forecast impact of climate change, taking into account regional variability.

Recommendation 3 The Committee recommends that the MDBA improve data on groundwater availability, use and connectivity with surface water prior to proposing SDL's for groundwater.

Engagement with the community

Recommendation 4 The Committee recommends that, in developing the proposed Basin Plan, the MDBA must:

- develop a community engagement strategy, tailored for each catchment community, focussed on transparency of process with clear and meaningful opportunities for local communities to contribute;
- engage all Basin stakeholders, including local, state and territory governments in a genuinely inclusive and respectful manner; draw upon local knowledge and expertise;
- recognise the social and cultural needs of Aboriginal people;
- clearly communicate the need for a Basin Plan;
- clearly communicate the process, roles and responsibilities for the implementation of the Basin Plan, including:
 - ~ the role of the Basin Plan;
 - ~ the role of Commonwealth water recovery programs;
 - ~ the roles and responsibilities for state and territory governments in water resource planning under the Basin Plan; and
 - ~ linkages and partnerships between Commonwealth, state and territory governments and relevant agencies within each jurisdiction in the implementation of the Basin Plan.

Recommendation 5 The Committee recommends that the Commonwealth Government develop separate community basin planning that provides:

- localised and targeted structural adjustment packages;
- the development of localised economic development plans supported by workforce development and training packages to support Basin communities;
- strategies for enhancing communities (with particular focus on mental health support services and investment in social infrastructure); and
- recognition of the specific needs and economic circumstances of Aboriginal communities living in the Basin. The development of this plan must be in partnership with states, local government and the community.

Recommendation 6 The Committee recommends that the Commonwealth Government ensure that the mining industry is placed under the same obligations as other water users in the MDB by ensuring:

- that no mining activities are approved that impact on Basin water resources until such time that the impact of such activities is fully understood and able to be mitigated; and
- relevant legislation/regulations are applied with a specific focus on mining activities in the Basin as a matter of urgency to ensure that the long-term health and productivity of water resources are protected.

Water purchase and infrastructure investment

Recommendation 7 The Committee recommends that the Commonwealth Government immediately cease all non-strategic water purchase in the MDB and take a strategic approach to water purchases that prioritises the lowest possible impact in communities.

Recommendation 8 The Committee recommends that the Department of Sustainability, Environment, Water, Population and Communities, in all future water purchases: be more responsive to proactive sellers; and prior to any water purchase process, identify the consequences for the community.

Recommendation 9 The Committee recommends that the Commonwealth Government focus greater investment in on- and off- farm water saving projects.

Recommendation 10 - The Committee recommends that the Commonwealth Government: identify and assess the viability of environmental works and measures as identified throughout this report and by the community; and implement any viable measures as quickly as possible.

Recommendation 11 The Committee recommends that the Commonwealth Government, in partnership with the Basin states and the Australian Capital Territory, develop a framework addressing the monitoring, compliance and enforcement of Basin water resource use.

Recommendation 12 The Committee recommends that the Commonwealth Government identify and rectify all impediments to irrigation investment in the taxation system.

INQUIRY INTO THE IMPACT OF THE GUIDE TO THE MURRAY DARLING BASIN PLAN

Recommendation 13 The Committee recommends that the Commonwealth Government develop and implement options for tax based incentives for efficient irrigation investment as part of the implementation of the Basin Plan.

Recommendation 14 The Committee recommends that the Commonwealth Government focus greater investment into research and development to improve irrigation efficiency.

Recommendation 15 The Committee recommends that the Commonwealth Government establish a national water fund to:

- invest in on- and off-farm water saving projects;
- invest in environmental works and measures; and
- invest in research and development to improve irrigation efficiency.

Recommendation 16 The Committee recommends that the Commonwealth Government consider establishing a national water fund manager that may:

- take a strategic, localised approach to water purchase;
- in special circumstances, sell surplus environmental water as well as purchasing additional water when needed;
- identify and invest in irrigation and environmental infrastructure projects.

Delivering the Basin Plan

Recommendation 17 The Committee recommends that the Commonwealth Government fund the development of a plan, in partnership with the States and Australian Capital Territory, for the implementation of the Basin Plan.

Recommendation 18 The Commonwealth Government, through the Council of Australian Governments, seek agreement with Basin states on a cooperative model for developing water resource plans in which the MDBA, the Commonwealth Environmental Water Holder and state and territory water agencies sit together with regional stakeholders to develop each water resource plan.

Recommendation 19 The Committee recommends that the Commonwealth Government clearly communicate to Basin communities the purpose of the Environmental Watering Plan and how it would be implemented at a regional level.

Recommendation 20 The Committee recommends that the Commonwealth Government establish a dedicated agency to be led by the Commonwealth Environmental Water Holder with a focus on: developing the scientific and engineering expertise to deliver an efficient environmental watering plan; improving knowledge of the water needs of environmental assets and how best to manage them; and transparency and accountability to its key stakeholders, including the community.

Recommendation 21 The Committee recommends that the Commonwealth Government charge the National Water Commission with responsibility for auditing and reporting on:

- the management and use of environmental water by the Commonwealth Environmental Water Holder and the manager of the proposed national water fund on an annual basis, including:
 - ~ the volume of water recovered for the environment;
 - ~ use of the proposed national water fund, including investment in irrigation efficiency and environmental works and measures;
 - ~ the use of environmental water including volume, location, timing and outcomes achieved; and
 - ~ entitlements and allocations strategically purchased or sold, including location, timing, products (security and reliability), average long term volume and average value per megalitre.
- the transition to and implementation of the Basin Plan, on a five yearly basis, including:
 - ~ the efficacy of state water resource planning;
 - ~ Commonwealth investment in irrigation and environmental infrastructure projects;
 - ~ the accumulation of environmental water, including any water purchase programs;
 - ~ the impacts of government reform activities on the socio-economic well being of communities;
 - ~ the influence of government purchasing activity on the water market; and
 - ~ the use of environmental water and the achievement of environmental objectives.

Community sustainability

2.85 The water reform debate is commonly argued as a trade-off between the environment and irrigation communities. This is not the case. The health and indeed the existence of Basin communities is dependent on the health of the river systems. Without a healthy and secure water supply there is no doubt that the communities that provide much of our food and who depend on water access will quickly and irreversibly decline.

2.86 There is also no doubt that successful farmers and land managers know and constantly strive to improve the value of a healthy ecosystem. So they sustain and improve the environment as they produce food and fibre. Farmers through Land-care and other investments have helped sustain environments through the drought.

2.89 Having heard from hundreds of people across the Basin, the Committee has formed the view that communities do not oppose the notion of supporting environmental health, in fact, they support it. They oppose what appears to be a unilaterally imposed proposal that does not take into account measures already being undertaken by communities to restore wetlands, provide habitat for biodiversity and improve water-use efficiency.

SENATE AND CONSTITUTIONAL AFFAIRS REFERENCES COMMITTEE PROVISIONS OF THE WATER ACT 2007

As most of you will be aware the committee has now released the findings from their inquiry into the Provisions of the Water Act 2007. This supports what many representative groups has been advocating for a very long time, the Act needs to change as it doesn't give equal weighting to a triple bottom line approach.

Please see the committee's recommendations below:

Recommendation 1

4.17 The committee recommends that the Australian Government publicly release the legal advice on the *Water Act 2007* provided by the Australian Government Solicitor to the Murray-Darling Basin Authority on 26 November 2010 and 30 November 2010, and any other relevant legal advice, as a matter of urgency.

Recommendation 2

4.18 The committee recommends that the Australian Government appoint as a matter of urgency an independent panel of legal experts

to review all relevant legal advice relating to the *Water Act 2007* for the purpose of recommending specific amendments to the Act to ensure:

- that the Basin Plan has the security of sound legal underpinnings and certainty for all involved and affected;
- that the Basin Plan balances the optimisation of environmental, social and economic considerations; and
- the Murray-Darling Basin Authority and the Minister are granted the discretion to give appropriate weight to economic, social and environmental considerations in order to balance these interests against each other.

Recommendation 3

4.19 Subject to Recommendation 2 and following the report of the independent panel of legal experts, the committee recommends that the Australian Government amend the *Water Act 2007* as a matter of urgency.

Recommendation 4

4.20 The committee recommends that the Australian Government take whatever measures are necessary to strengthen the constitutional validity of the *Water Act 2007*.

You can access the entire report via a link from our website: mpii.org.au

LARGE SCALE ENVIRONMENTAL WATER RELEASE FOR MURRUMBIDGEE WETLANDS

More than 150 gigalitres of water recovered for the environment will be delivered to hundreds of wetlands along the Murrumbidgee River, benefiting the Murray system as far downstream as South Australia's Lower Lakes and Coorong.

In the largest use of Commonwealth environment water to date, the environmental flows will include more than 100 gigalitres of Commonwealth water, with additional contributions from the NSW Government and the Murray-Darling Basin Authority's Living Murray program.

Water Minister Tony Burke said the river flows would fill hundreds of small wetlands located along the Murrumbidgee River from Gundagai through to the Murray River. "Restoring the health of the River Murray is one of the biggest environmental challenges of our generation," Mr Burke said. *Jennie Hehir researched further to seek a more detailed explanation of this release and was informed that:*

The primary objective of this environmental water release is to fill hundreds of Murrumbidgee wetlands between Gundagai and the Murray Junction, the majority of which filled last spring for the first time in 10 years. A winter inundation will see these wetlands remain full throughout spring 2011 during this time their depleted aquatic plants communities will have an opportunity to re-establish and spread

The CEWH is also earmarking the flow for inundation and “flushing” of downstream icon sites in the Murray system such as the Coorong and Lower Lakes” “Piggybacked” or stand alone river releases are a high priority action in the Annual Environmental Watering Plan for the Murrumbidgee, under a wet scenario. The proposed June releases also received the support of the Murrumbidgee EWAG during the 18th May meeting.

Monitoring by NSW OEH and CSU has detected a very poor response from the aquatic vegetation this past season compared with historical monitoring from 10-12 years ago. (<5% of previous aquatic vegetation cover at many sites) This is felt to be largely due to the size, water quality (very black water) and timing of the large December 2010 flood. To give the small remaining areas of aquatic vegetation a chance to spread and set seed for future years, these wetlands need to hold water over their litoral zones during spring. This flow event will give them some chance of partial recovery in 2011.

Full recovery may take many years or decades (depending on future filling frequency) We do not know how dry the coming decade will be, so we have to make the best of any opportunity to fill these wetlands (within reason) even if there is a public perception that “the floods have done the job for the environment for a while” .This might be the case for the red gum forests but the wetlands are a long way off what they used to be 10 years ago.

NSW OFFICE OF WATER – REPORT WATER BALANCE AND UNACCOUNTED DIFFERENCE IN THE MURRUMBIDGEE REGULATED RIVER

In 2009 Water for Rivers initiated a study looking into some of the less well understood parts of the water balance in the Murrumbidgee River. This summary report outlines the results from the study (SKM, 2010a). Water balances compare river system inflows, changes in dam storage and outflows to account for the source and fate of all water in a catchment. However these volumes never balance each other, and there is always an “unaccounted difference” needed to reconcile them. This unaccounted difference includes the gains and losses from processes that aren’t measured or calculated in the water balance, as well as the combined error from all other terms in the water balance.

The water balance study investigated a number of sources of unaccounted difference in the Murrumbidgee Regulated River System, calculated their impact, and discussed how these could be predicted in the future. The sources of unaccounted difference considered included evapotranspiration, losses and gains from groundwater aquifers, unmeasured tributary inflows, river channel storage, and measurement inaccuracy and error.

The impact of unaccounted difference varies between different parts of the river system. Between the Burrinjuck and Blowering Dams and Wagga Wagga in the 1990’s, unaccounted difference typically added between 200 GL/yr and 800 GL/yr to flows at Wagga Wagga. In comparison, since the early 1990’s the lower river from Wagga Wagga to the Murray Confluence has lost on average around 215 GL/yr, and the Yanco Creek System has lost up to 100 GL/yr in drier years.

Unmeasured tributary inflows are the most important component of unaccounted difference in the river between the dams and Wagga Wagga. While the Office of Water estimates these inflows for long-term water resource modelling, the large uncertainty in inflows during the recent severe drought made it difficult to include unmeasured inflows in this study.

Evapotranspiration makes the largest contribution to unaccounted difference in much of the river with the exception of unmeasured inflows in the upper reaches. The average annual loss to the Murrumbidgee River and Yanco Creek corridors from evapotranspiration between the 2001 and 2008 water years was estimated to be 400 ± 120 GL/yr. Losses to groundwater aquifers are the next largest sources of losses. Net losses were estimated to be 46 ± 6 GL/yr, although this excludes unknown groundwater recharge from the upper reaches of the river.

Other significant sources of unaccounted difference include channel storage effects, diversion meter error and river gauging station error. Apparent losses and gain due to channel storage can be addressed using a hydraulic model of the river channel (currently in development), while improved metering and telemetry will reduce unaccounted difference due to meter error.

RECOMMENCEMENT OF WATER SHARING PLANS

Now that the drought has broken, the Murrumbidgee Regulated Water Sharing Plan will recommence on 1 July 2011 and thereafter management rules in that plan will apply to water users during the 2011/12 water year.

In recommending the Plan, there will be transition arrangements, particularly regarding the provisions for unused water that may be carried-over from 2010/11 into 2011/12.

Water availability outlook

In 2011/12, the commencing water availability for licensed general security water users is likely to be the highest in the past 10 years.

Under the Water Sharing Plan, the total water made available in any year water allocation and carry-over cannot exceed a maximum of 100 per cent of entitlement in the Murrumbidgee Valley, unless you have a specific 'supplementary access licence' or you purchase water in during the year.

This means that, progressively as water availability improves during the year, unused water carried-over from 2010/11 will 'spill' and be substituted by increased allocation to ensure that the combined total does not exceed 100 per cent.

To assist users to manage their available water from 2010/11 into next year, it is important that the probability of increased water availability is provided by NSW Office of Water.

Where do the Water Sharing Plan rules apply

The Murrumbidgee regulated Water Sharing Plan applies to **all licence holders** (this includes the irrigation companies such as Murrumbidgee Irrigation and Coleambally Irrigation,) accessing water in the regulated sections of the Murrumbidgee River and its regulated tributaries and effluents. These include:

- The Tumut River from Blowering Dam to the Murrumbidgee River junction,
- The Murrumbidgee River from Burrinjuck Dam to the Murray River confluence,
- Yanco Creek to its confluence with Billabong Creek,
- Colombo Creek,
- Billabong Creek from the Colombo Creek confluence to its confluence with the Edward River, and
- Forest Creek to upstream of Warriston Weir.

The Water Sharing plan also applies to any water that may be available to be diverted into the Lowbidgee Flood Control and Irrigation District through the off takes at Maude and Redbank Weirs.

How much water can I use in 2011/12?

Under the Plan, high security users will have access to a maximum of 95 per cent of entitlement, or the same percentage as General Security entitlements if they are greater than 95 per cent, and are not allowed to carry-over unused water from one year to the next.

Under the Plan, licensed general security entitlement holders can carry-over a maximum of 30 per cent of entitlement and will have access to a maximum of 100 per cent of licensed entitlement; that includes carry-over, announced allocation and any water diverted during periods of announced supplementary flow under the "without debit" provisions of the Water Sharing Plan.

In the Murrumbidgee Regulated Water Sharing Plan, licensed general security water users may divert from the river during periods of announced supplementary flow and this water is not debited against an account, if general security allocation is less than 70 per cent.

Additional water may be used if it is purchased on the open market.

Accounting and Carryover from 2010/11 into 2011/12

While the Water Sharing Plan has been suspended, both general and high security licence holders have been allowed to carry-over up to 30 per cent of entitlement from one year into the next. This will apply for the remainder of the 2010-2011 water year.

On 1 July 2011 the following will apply:

- The carryover limit in the Water Sharing Plan (30 per cent for general security only) will apply.
- This will not significantly change the outcome for high security users because, if 95 per cent allocation is announced for high security entitlement holders, nearly all water carried over would have spilled. Given the current water availability and outlook, this will occur.

- There will be no carryover for high security entitlements from 2011/12 to 2012/13.

Water carried over by general security entitlement holders will spill as combined carry-over and allocation exceeds 100 per cent.

As water spills from full water accounts, it is redistributed as increased allocations to others in the system

**Don't forget to check out our website
www.mpii.org.au**

**If you want to be put onto our email service please forward your address to
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We do not sell or provide email addresses to third parties.

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Maize in the Riverina courtesy of the Maize Assoc.



Photo by Richard Sleight, Chairman YACTAC

FROM THE CEO

As we wait for the proposed draft of the Murray Darling Basin Plan scheduled for the middle of July 2011, one wonders if in fact the goal posts will change. It is always interesting to look at the entire debate through the eyes of all. The politicians objective is to please the majority of their voters, the lion's share of the environmentalists only see their perspective, whilst in my view the majority of our sector hold a balanced view of protecting the environment in line with nature in conjunction with maintaining profitable farming operations. This outcome can be achieved by a common sense approach by all stakeholders.

Whilst deadlines to meet policy decision are being set, a nasty paradigm could be implemented if we were not in the tent to protect our water resource. Enough damage has already occurred during the past period of drought which has forced many to realise their water asset for one reason or another. I know I am preaching to the converted in stating that the breaking of the drought which has restored water storages has swung the pendulum in terms of giving consumptive water users more clout in the debate. MPII is anticipating that the organisation will need to be very active in the political arena once the proposed draft of the Murray Darling Basin Water Plan is released to continue the fight in protecting your water rights. We will have at the minimum a 16 week consultation process to do this.

Louise Burge will be representing your water interests for the month of July whilst I am on leave. I am confident that Louise and Murray will drive our message loud and clear where required. I look forward to returning to the debate in August when the proposed draft of the Water Plan is out. Louise can be contacted on the usual MPII phone number 03 5883 4445.

Kind regards

Jennie