

MPII UPDATE

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FROM THE CHAIRMAN

At long last I am writing this update surrounded by knee high grass, crops with potential and rivers and creeks running a banker. At the time of writing a 45% General Security water allocation has already been announced, however another rain event would be very timely as the spring days are warming up. To add to the positive aspects created by mother nature, commodity prices have been driven northwards due to climatic disasters overseas. Someone else's loss has created a gain for us!

Nevertheless, there is still major concern with mother nature's influence of the looming locust plague and the capacity of human intervention to distinguish the potential devastating impact. I therefore trust that we will all be diligent in terms of spotting hatchings and reporting their movement.

On the water policy front, it is a relief to be heading towards the Draft Water Plan on the back of a more normal season. 2010 has already proven that things do and can change very quickly. The improved season has given us breathing space and provided some balance in the climate change debate. At the end of the day we have a Water Act that legislates that the environment must be provided for first and foremost, however socio and economic impacts must also be considered, hence I am suspicious that this is the reason that the release of the Draft Water Plans has been delayed.

We hear leaks and whispers that the SDL will not be a pretty figure, therefore MPII is preparing the organisation to be in a position and in the tent to challenge the amount of water entitlements that the Murray Darling Basin Authority is proposing to remove from our region. From an individual Murrumbidgee River private irrigator perspective, the SDL will not encroach on your farming operation if you choose to remain as an irrigator. This is due to the Government pledging that they will only buy water entitlements back from willing sellers which Minister Bourke reiterated on National radio last week. There will still be negative impacts for us though, which you will all be aware of in relation to the social and economic impact less water will have on our towns and

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Information meeting and AGM Wednesday 20 October 2010— commencing at 2.30pm Darlington Point Club.

Presentations:

State Water – IWas demonstration
Neerag Maini – Hydrologist - NSW Office
of Water
Andrew Gregson - NSWIC

Officer Bearer Contact Numbers CEO

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FROM THE CHAIRMAN—CONTINUED

communities which in turn will reduce all community members standard of living and access to services etc.

I thank those of you that have continued to pay your levy collection even though we have been experiencing difficult times. I encourage this action to continue so that MPIL can represent your water entitlement interests going forward. As I've stated before without a representative body protecting your precious asset, I hate to think how easy it would be for our water resource along the river to be disregarded, not only by policy makers but other representative organisations.

Hope to see you at our Information Meeting and AGM on Wednesday 20th October 2010 commencing at 2.30pm where we will discuss many of the issues being faced.

Kind regards

Murray Shaw

WATER ALLOCATION & ACCESS

August 2010 Inflows:

Total inflows in August were about 550GL, which is 70GL above the long-term August average of 480GL. Since 1 September inflows have already totalled 330 GL, which is more than was received for the entire 2006-07 water year.

What this means:

The total of water available for allocation across the Murrumbidgee Valley for the year to 30 June 2011 is now 2,735GL. This has enabled an increase of 35 per cent to 45 per cent of entitlement for general security licence holders, while also maintaining minimum reserves to ensure town water supply and critical industry needs for the year.

Understanding Supplementary Access rules:

Many of our members have been confused in relation supplementary water rules. **Please read below info which will assist with many of the queries.**

During the past two months there have been periods of announced supplementary water throughout much of the Murrumbidgee River. While the Water Sharing Plan remains suspended, rules for access to supplementary water have been introduced that are slightly different from those in the Water Sharing Plan.

They are summarised as follows:

- Only when supplementary access is declared by the NSW Office of Water and the period of time and reach of river is specified) can licensed users with 'supplementary' entitlements divert water from these accounts.
- Supplementary licence accounts were credited with 1.0ML/share on 1 July 2010 and diversions under a supplementary event will be debited from that account.
- General Security entitlement holders can divert water 'without debit' to their general security accounts during periods of announced supplementary water, provided they are within those reaches for which supplementary water has been announced.
- The water diverted from supplementary flows is not additional to a user's entitlement, but will be included within the total use in the year.
- That is; the total volume of water that can be used in any year, including carry-over, supplementary diversions and allocation cannot exceed 1ML/share, which is 100 per cent of the entitlement.
- The only additional water that may be used is water that is traded in during the year.

Water availability compared to dam levels:

There is no direct connection between a physical spill from the upstream dams and a 'spill' of carry-over water from private accounts. Any 'spill' from private accounts is in response to increasing allocations and account limits being reached.

In the Murrumbidgee Valley only environmental account water is spilled in proportion to the amount of physical spill from the dam(s).

Supplementary Licences (formerly History of Use) are a separate entitlement. Those holding both Supplementary

access licences and General Security access licences can choose which entitlement to use when a supplementary event is announced, remembering that neither entitlement is allowed to exceed 1ML/share (100 per cent).

Trade:

All water in accounts may be traded. This includes all inter-valley and inter-state trades.

Those users who participated in the 2005/06 Snowy borrow arrangements are reminded that repayment is triggered when announced allocations reach 50 per cent.

Trade activity is currently low.

Environmental flow management:

In 2010/11 NSW will contribute to an agreement to deliver an additional 56 gigalitres (GL) of water to the Snowy River to pay off the 'Mowamba borrowings account' and to provide an additional 24 gigalitres of environmental flows from Jindabyne Dam.

In 2010/11, the total of environmental releases to the Snowy River will be about 62 gigalitres. As part of the proposal, Victoria and NSW will contribute equal volumes. NSW contribution is from environmental water accounts and **there will be no reduction in water availability to NSW farmers and industries in the Murray or Murrumbidgee valleys as a result of this agreement.**

Recently, 47gigalitres of environmental account water was released from Burrinjuck Dam on the back of a sizable rainfall event which created a flow. This is filling more Murrumbidgee River wetlands than any previous environmental watering since 1998 when environmental flows commenced. Some of these wetlands haven't filled since 1996 and most not since 2000.

The high river levels are also providing a rare and welcome relief for severely stressed wetlands and River Red Gums along the Murrumbidgee River. The flows are aimed at benches and wetlands located near the river between Gundagai and Darlington Point, but will be of benefit all the way to below Balranald where the Murrumbidgee meets the Murray River. It will inundate low lying areas of river Red Gum forests within the new National Parks, including Yarradda and Benerambah National Parks.

The release is being made against the Environmental Water Allowance account under the Murrumbidgee Water Sharing Plan.

FROM THE CEO

Even though we still have many hurdles to jump in terms of the proposed Water Plan and the potential of a threatening (SDL) to challenge, its pleasing to be experiencing a more normal season and availability to surface water allocation instead of dust blowing and crops deteriorating by the day.

The Federal election and final result has changed the political landscape, therefore it is essential that we focus on working with new politicians and their staff. To add to the changes we now have a new departmental name and acronym to remember. The Department of Environment Heritage and the Arts (DEWHA) is now called the Department of Sustainability, Environment, Water, Population and Communities (SEWPaC).

Hopefully there will be some wriggle room within the Water Act to debate the level of the SDL by challenging how the Environmental Water Holder plans to use the water returned to the environment. One of the major objections to the Water Plan's process is the lack of evidence being given to substantiate the environments requirements and the mechanism in which the sites will be watered. By this I am referring to the lack of engineering solutions and checks and balances in place to ensure that the environmental waterings are carried out with utmost efficiency and with optimum benefit to the sites. In days gone by we have witnessed over watering of sites by environmental flows, or bad timing of the flows lessening the benefit of the watering.

Once the draft plan is released MPII will require many resources to debate the SDL. To some degree we are planning to work with shires and irrigation representative groups, however our members have their own unique water asset characteristics that require protection.

As I write, another spring rain would benefit us all as things are drying our very quickly.

I wish you all a continued flourishing spring, positive summer cropping program and prosperous harvest.

I encourage you to attend our meeting on the 20th Oct 2010 so that we can inform you of further and up to date important information, in particular the Draft Water Plan (SDL). *Jennie H*



Colin McCrabb, Mark Wettenhall, Sally Dye and Murray Shaw.

UNREGULATED WATER LICENCES

If you possess an unregulated water licence the following information will be of interest to you.

Unregulated and Alluvial water sharing plans in the Murrumbidgee

Climate change, climate variability, the need to provide a secure water supply for towns and industries, as well as the need to protect river and groundwater dependent environments, are all impacting on the way water is shared in NSW.

The NSW Government has been addressing this issue with the development of water sharing plans for the State's water sources. Forty six water sharing plans, including Murrumbidgee and Murray Regulated River, have already commenced around the State. These plans cover about 97 per cent of the State's water resources.

The NSW Office of Water has commenced preparing draft water sharing plans for areas not already covered by water sharing plans, such as unregulated and alluvial water sources in the Murray and the Murrumbidgee.

Water sharing plans establish rules for sharing water between the environmental needs of rivers or aquifers and water users, and also between different types of water users such as industry and irrigation. To find the right balance, water sharing plans are developed in association with the NSW Department of Environment, Climate Change and Water, Industry & Investment NSW and local Catchment Management Authorities.

In addition to ensuring the sustainability of the water sources through the sharing of water between the environment and water users, other outcomes of water sharing plans include:

- perpetual licences for uses other than specific purposes e.g. town water supply
- increased security of access to a share of water in each water source
- increased water trading options and improved water trading mechanisms
- protection of the water required to meet basic landholder rights
- minimising impacts of extraction on other users, dependent ecosystems, water quality and the stability of the aquifer in groundwater sources
- managing the cumulative impacts of extraction

In some water sources the sharing of water between the environment and water users, or between different types of water users, is difficult or may result in proposed rules which are significantly different to current operating arrangements. In such cases, the NSW Office of Water has been seeking early input from key water users and stakeholder groups so that rules may be drafted which seek to minimise impacts.

The NSW Office of Water is seeking to proceed to public exhibition later this year for both draft Murray and Murrumbidgee unregulated and alluvial water sharing plans. During this phase in the plans' development, the broader community will be encouraged to comment at public meetings and with formal written submissions.

It is intended that the Murray and Murrumbidgee Unregulated and Alluvial Water Sharing Plans will commence mid 2011. NSW users covered by a water sharing plan will maintain the same water access and trading rules until 2014 or to year 5 of the plan (which ever is sooner). After this time, it is anticipated that water sharing plans may need to be amended to comply with the Commonwealth Murray-Darling Basin Authority's Basin Plan.

The Basin Plan is a Commonwealth plan, being prepared under Commonwealth legislation by a Commonwealth Authority and will be made by a Commonwealth Minister.

While it is widely expected that the Basin Plan will impose extraction limits that are lower than the existing limits in NSW's water sharing plans, the extent of this reduction is not yet known.

There are provisions within the Basin Plan development process that allow for consultation. The NSW Government has encouraged the Commonwealth to undertake extensive consultation of the draft Basin Plan prior to its adoption.

In the meantime, further information on the water sharing planning process can be found on the NSW Office of Water website: www.water.nsw.gov.au in the Water Management section. To obtain further information on your water licence or update your contact details please call 1800 353 104.

Please note in your diary

YACTAC AGM

28th October 2010

Jerilderie Community Centre

Commencing at 1.00pm

YACTAC INFORMATION

Yanco Creek Efficiency Project:

Most of you will be aware of the activity surrounding the Murrumbidgee River Efficiency Project. The project is a partnership between State Water and Water for Rivers (WfR). Other Government Agencies including the Department of Energy and Water and the Department of Environment and Climate Change will also be involved. The project is being funded by Water for Rivers who is a company set up by the NSW, Victorian and Commonwealth Governments to recover environmental water for the Snowy and Murray Rivers.

Water for Rivers - Objectives of the Project Summary (taken from WfR website)

The project will investigate the feasibility of reducing irrigation demand on the Yanco Creek system, allowing the flow rates through the creek to be reduced and losses to be minimized. This approach to creek efficiency will require development of supporting policy and new operational rules by the State Water Corporation and the NSW Office of Water.

The project will result in water savings and more efficient delivery of water for irrigation, domestic and stock along the Yanco Creek and its tributaries. The extent of the water savings from the project are now currently estimated at 10GL.

Information from State Water Corporation Website re Metering:



New metering standards are being introduced nationally as part of the National Water Initiative. As the majority of the existing meters in the Murrumbidgee system do not meet standards this means that most meters will need to be replaced with more accurate meters that do meet the new national standards. Real time metering and monitoring is one of the options being investigated as part of the Murrumbidgee project. The investigations will consider new metering standards and look at ways that improved metering can facilitate more timely delivery of water to users along the creeks and river system by delivering accurate information about water extractions in real time to the river operators.

Much controversy has arisen amongst our members causing challenging negotiations for the YACTAC executive who have been taken to task in representing members with a collective view. The fundamental issue is for the executive to ensure that the objectives WfR is predicting, are in fact achievable. It is essential that the projects will not reduce remaining irrigators access to water. WfR has employed coordinators to engage with landholders to flesh out all concerns. If you require further information please call Jennie Hehir 0428 832357.

Publication & Launch of YACTAC Booklet:

It is anticipated that the booklet will be finally completed and printed by the end of September 2010 and launched early 2011.

YACTAC wish to thank members that have assisted with photo's and information. The booklet will be a wonderful exhibit and historical record of community achievement, involvement and passion of the system.

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www.mpii.org.au

Don't forget to check out our website
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If you want to be put onto our email service please forward your address to
jenniehehir@bigpond.com

We do not sell or provide email addresses to third parties.

Membership:

Levy collection will fall due late October early November. MPII thank those of you that have continued to pay your levies and encourage members that have not done in the past to consider their financial contribution a worthy cause. The organisation has not raised the levy collection for many years and as a result of escalating costs, is finding it difficult to cover overheads. Your prompt attention to payment of your fees would be greatly appreciated so that the organisation can continue the work required to protect your water asset.

\$300M On Farm Irrigation Efficiency Project:

After being put under enormous pressure and run off our feet to complete OFIEP applications, SEWPaC formerly known as DEWHA has not adhered to the timeframes in terms of approving projects. We have been informed that all of the sub projects have been assessed and many have "green lights" to go ahead. Some of you will have been contacted for further information and we apologise for the inconvenience which has been out of our control.

The due diligence process is occurring at present and SEWPaC lawyers are contacting proponents lawyers to confirm who in fact holds the water entitlements to ensure the entitlements will be transferable to the Government. If this search does not identify any problems we should receive advice in the near future about which projects will be funded.

We are hoping to have final approval by the end of September 2010. If your project is approved, hopefully you will be informed by the end October 2010 at the latest, followed by a project officer contacting you to sign a Works Agreement.

MPII stress the importance of seeking advice from you accountant prior to signing any contracts to assess any tax implications that may apply to your individual project.

Dates to Remember:

- ◆ **Release of the Draft Water Plan Sustainable Diversion Limit Friday 8 October 2010 time of release 4.00pm**
- ◆ **MPII Information meeting and AGM Wednesday 20 October 2010 Darlington Point Club commencing 2.30pm**
- ◆ **YACTAC AGM Thursday 28th October 2010 Jerilderie Community Centre commencing 1.00pm**