

Lower Limestone Coast WAP Stakeholder Advisory Group Minutes

Meeting No. 3, 19 January 2023, 9:00 am – 1:00 pm

WULANDA

Objectives

- Gain a basic, joint, understanding of licencing components
- Understand the administration perspective of licencing components
- Understand the industry perspective of licencing components
- Summarise discussions on licencing components
- Start looking at forestry water licences

Attendees:

Group Attendees – Darren Shelden, Penny Schulz (Chair), Pete Bissell (Co-Chair), Belinda Williamson, Claire Davies, Claire Harding, James Prescott, Kerry DeGaris, Kylie Boston, Melissa Herpich, Michelle Irvine, Peter Balnaves, Terry Buckley, Alan Rossouw, Wayne Hancock, Graeme Hamilton, John Hunt.

Staff Attendees – Sue Botting (Team Leader, Water Policy and Planning, LC Landscape Board), Liz Perkins (Manager, Planning & Engagement, LC Landscape Board), Ryan Judd (Project Coordinator, Water Resource Management), Dean Zeven (Acting Team Leader, Water Licencing, Department for Environment and Water).

Apologies – Nick Hillier

Welcome and agenda

The Chair welcomed everyone and thanked advisory group members and staff for their attendance.

Minutes

Minutes were amended to include Darren Shelden who attended the meeting but was omitted from attendees. Minutes from Meeting 2 confirmed as true and correct. Moved by: Terry Buckley Seconded by: Kylie Boston. All were in favour.

Action outcomes to note

- Action 1.1 Ongoing. Commence in Meeting 2.
- Action 1.2 Ongoing.
- Action 1.5 Ongoing. To revisit when discussing mining related principles.
- Action 2.1 Complete.
- Action 2.2 To be scheduled at a future meeting.
- Action 2.3 Complete.
- Action 2.5 Occurring in Meeting 3.
- Action 2.6 Occurring in Meeting 3.
- Action 2.7 Complete.

Licencing components breakdown

Sue Botting provided an overview of the breakdown of licencing components.

- Reminder of how principles are being evaluated provided as introduction
- Start back at volumetric conversion:
 - A lot of principles in the plan were introduced in order to support a transparent conversion from area-based allocations to volumetric allocations.
 - The variety and number of licencing components is underpinned by the need to be transparent around volumetric conversion.
 - When consider the licencing, consider impacts on:
 - Water resource
 - Other water resources
 - Environment
 - Other licensees
- Licensing components
 - Tradeable – Holding
 - 23% reduction in holding – some surrendered, some converted
 - Where does surrendered water go? Back to the minister, no record kept of how much surrendered, essentially no longer an allocation, resulting in a reduction of the consumptive pool. It isn't available to be re-allocated. There has been no case where surrendered water has ever been attempted to be accessed. 1-2 ML might be surrendered from a licence – very small amount surrendered.
 - If a reduction occurs in a management area, volume still exists on a licence. It can't be used but can be transferred to another management area that isn't over or fully allocated.
 - Does people not knowing where they could have got water reflect a deficit in understanding of the licencing system? It was raised that it is difficult to get good advice, people know their patch but don't know beyond that so can't necessarily give good advice.
 - Does a hydro test take into account the fact that a holding licence is sitting somewhere? Yes.
 - Some members indicated that what's in the Plan is different to how it was thought it would work. Holding licence doesn't have a land parcel or extraction point – essentially floating in the management area.
 - Why do holding licences exist? Maintenance of an existing asset. Taking licences had to be developed, timeframe to do so – those who didn't want to develop their taking licence got a holding. Originally paid a lesser fee. Came from a time when water was being heavily developed. Followed by a time of trying to develop a water market. In some management areas forestry allocated more water than planted, when came into the Plan in high risk areas reduced to planted estate. Some debate around the history of these processes.
 - Could the group make recommendations around holding licences in terms of the future? Group needs to determine if the holding licence component works – if not recommend it is explored as part of amendment.

- Is there a way to have these water holding licences either activated or removed e.g. an initiative to force or promote this.
- The process to activate a holding licence not well understood – transparency in process might help activate them.
- Buy a holding licence to offset a reduction? Essentially could something be created to see those with holding licences sold to support those undertaking a reduction.
- A lot of mechanisms already exist to allow sale of a holding licence – but is this process understood?
- Tax plays into how water is valued.
- Will we go into overallocated management areas? Yes – covered in risk reduction.
- Has there been any education for those who have holding licence? Initially at Plan implementation but perhaps not since then.
- The Plan is hard to understand, it is complex.
- We should be trying to simplify it.
- From an environmental perspective holding licences are a risk – sleeping water – activation could cause further decline.
- Tradeable – Taking
 - What is the environmental licence? Not clear.
 - Many people have more than one purpose of use in terms of licence.
 - Could some be combined? Do they need to exist at all?
 - Some purpose of uses have conditions that define them and what they can be used for.
 - Going forward sustainability is important from a market perspective for industry – could unused water in allocation be considered an environmental allocation – could there be a mechanism to have that as an environmental allocation on a licence. Would you pay a different fee?
 - Would the environment actually benefit? Environment cares about the top bit of water – would these allocations benefit the environment?
 - The group wants to revisit the opportunities around environmental allocations to consider the need for a recommendation to the LC Landscape Board.
 - From an administration perspective only certain components matter because the Plan requires them to be considered separately, purpose of use not important.
 - Are irrigators responsible for drying of wetlands? Drainage plays a part in drying of the land. Groundwater declines have many contributory factors, extraction for primary production use is one, climate change, drainage etc are others.
 - Increased pressure to demonstrate carbon neutral – environmental licence is an opportunity.
 - Looking forward – can we tell a more holistic water story not just the story of extractive use by irrigation and forestry.
 - Reductions being implemented but water going out drainage network or up to Coorong – need to understand drainage better - the opportunity and risks. LC Landscape Board is undertaking some research in this area.

- Principle 45 – redundant – changes occurring in relation to Cape Jaffa
- Delivery supplement
 - Why do they exist – related to the delivery system.
 - DS flood can form a large part of a licence.
 - Can't apply for it now – had to apply at the time.
 - Flood is concentrated in certain areas
 - DS - was one of the better elements – how it has been done in places in Victoria is not as a good.
 - Key element of the Plan was trying to get people into the Plan allowing them to keep doing what they're doing based on the most efficient 75% of irrigators, not the outliers with poorer water practices.
 - Plan has responsibility to encourage efficiency of water use as well – Plan shouldn't compensate for inefficient use.
 - Allocation started as watering in a "lab" then increased for the real world – wind, evaporation.
 - Could look at users in that area and see what they're using and whether they are using/needing their DS.
 - What would the impact be to combine and make it one allocation? Would it then be tradeable? And what about flood?
 - Due to salinity – some need to draw more water than you need to flush the salts through – pivot location can be limited to 5 years if you don't flush the salts. If you can flush you can maintain a pivot in a spot indefinitely.
 - Could some components go into an environment allocation?
 - Allowing flood to be tradeable could have an impact.
 - When you look at your water use – have to break the numbers down simplify it – some like to keep 20% to get carryover each year. Like to have more water to have the security – not have to scramble around moving water around late in the season
 - Some crops require water throughout to ensure crop is successful – if run out of water late in the crop's season you lose the crop.
 - From an administration perspective – if you use over your spray allocation that eats into taking allocation. If you use over your taking allocation then you will be fined.
 - From an administration perspective – Industrial licence – if you go over your industrial you are fined unless you temporary transfer from taking licence.
- Carryover
 - Can the water levies be increased? Yes – LC Landscape Board responsible for setting the costs in a process defined under the *Landscape South Australia Act 2019*.
 - Carry over is very individual, business by business it is managed differently.
 - Has to be built – have to underuse to then have it available the following year.
 - What are the risks from carryover from a resource or environment perspective? It is used in years when there are already impacts on the resource and GDEs from reduced rainfall.
 - If you do have to use carryover then you have to plant less the following year as you don't have the buffer and you have to build back up.

- Resource condition
 - Some discussion around whether group members have an understanding of current resource conditions in the prescribed wells area. Some data was presented in Meeting 2 showing groundwater trends. Group members want to better understand resource conditions.

Administration of licencing components

Dean Zeven provided an overview of the administration of licencing components.

Key Points and Discussion:

- Administration
 - Based on the Plan the interpretation by licencing is the only purpose the needs to be recorded separately is frost.
 - What would it mean if the water market became very active – need to consider this when deciding whether something is tradeable or not.
 - Current Plan is administratively complex.

Industry perspectives on licencing components

Industry perspectives were discussed throughout the meeting (and are captured in notes above) but Kerry DeGaris also provided a brief overview on the viticulture industries perspectives on licencing components.

Key Points:

- Industry Perspectives – frost protection
 - Vignerons perspectives
 - Increase in frost problems – extremes are greater – challenge for the industry.
 - Positives
 - Best method, better than fans.
 - Ability to use existing infrastructure.
 - Continuity of supply.
 - Energy source – from a sustainable perspective – market drivers.
 - Negatives
 - Administratively very complex and time consuming
 - 3 year rolling average is complex
 - Infrastructure – not sure if you change the infrastructure - could lose the allocation – means old infrastructure is being maintained.
 - Current infrastructure limits ability to move it to where frost pockets are.

Next meeting date

- February – meeting date and location to be sent out shortly.

Close of meeting

Meeting closed at 1:15 pm

The Chair thanked the stakeholders and staff for attending.

Lower Limestone Coast WAP Stakeholder Advisory Group Action Table

Action	LLC WAP Stakeholder Advisory Group Actions	Status	Meeting 3 Update
1.1	Provide an overview of the Science Review process, outcomes and the work that has occurred since then at Meeting 2.	Ongoing	Summary of current status of work addressing recommendations presented. Further updates will be provided as needed.
1.2	LC Landscape Board Staff to provide relevant papers on the project portal for Stakeholder Advisory Group members to access	Ongoing	Papers provided. Ongoing operating procedure for the Group.
1.5	Convey stakeholder concerns around the Australian Rare Earths Limited development to the LC Landscape Board Governing Body.	Ongoing	To remain ongoing on the Action List and revisit when discussing mining related principles.
2.1	Provision of presentation, provision of reports from presentation	Complete	Available on the project page
2.2	Session in future meeting on Groundwater Dependent Ecosystems to assist with stakeholder clarity.	Ongoing	
2.3	Paddock Tree report to be provided on the project portal.	Complete	Available on the project page
2.4	Provide summary report that takes recommendations from the Plan and places them against actions that have been undertaken.		
2.5	Arrange a presentation from DEW Water Licencing on licencing components and their experiences and perspectives as the body that administers them.	Complete	Available on the project page
2.6	Arrange a presentation from industry representatives around how useful they have found the different licencing components and how they have used them in their businesses.	Ongoing	Started in Meeting 3, to be revisited in Meeting 4.
2.7	Breakdown of data around allocation and use to be provided at next meeting.	Complete	Provided prior to Meeting 3.

Action Table – Closed Items

Action	LLC WAP Stakeholder Advisory Group Actions	Status
1.3	Ground rules to be drafted and provided back to group	Complete
1.4	LC Landscape Board Staff prepare recommendation for the LC Landscape Board Governing Body on behalf of the Stakeholder Advisory Group. Recommendation to be considered by the LC Landscape Board Governing Body at its 28 October 2022 Meeting.	Complete

CONFIRMED

Lower Limestone Coast WAP Stakeholder Advisory Group Decision Register

Issue	Meeting	Decision
Volumetric conversion and bridging volume principles	Meeting 2	Recommend that the LC Landscape Board remove the volumetric conversion and bridging volume principles from the water allocation plan under amendment.
Representativeness of Group	Meeting 1	Group agreement that a nomination should be sought from hardwood plantation forestry for representation on the Stakeholder Advisory Group.

CONFIRMED