

Lower Limestone Coast WAP Stakeholder Advisory Group Minutes

Meeting No. 7, 15 June 2023, 10:30 am – 3:00 pm

Lacepede Bay Motel, Conference Room, 1 Marine Parade, Kingston SA 5275

Objectives

- Wrap up target management level discussions
- Discuss the confined aquifer
- Discuss the principles around trades and transfer
- Discuss the water market

Attendees:

Group Attendees – Penny Schulz (Chair). Pete Bissell (Chair), Belinda Williamson, Claire Davies, Claire Harding, Kerry DeGaris, Michelle Irvine, Terry Buckley, Darren Shelden, Alan Rossouw, Melissa Herpich, James Prescott, John Hunt, Nick Hillier

Staff Attendees – Sue Botting, Liz Perkins.

Apologies – Graeme Hamilton, Wayne Hancock, Kylie Boston.

Welcome and agenda

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

Minutes

John Hunt requested a change to the minutes explaining that the following sentence didn't accurately reflect the discussion.

- *It was raised by some industry representatives that reductions would not be acceptable.*

Sentence has been amended to:

- *It was raised by some industry representatives that reductions would be a concern.*

Minutes from Meeting 6 were confirmed as true and correct. Moved by: Pete Balnaves. Seconded by: Jim Prescott. All were in favour.

Action outcomes to note

The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:

1. Review the use of total available recharge as the basis for sustainable water management.
2. Consider mechanisms to adaptively manage the resource.
3. Retain Objective 8.1 a) specified in the current Plan which is to: "cautiously manage the confined aquifer so that it may continue to be available for the social, economic and environmental needs of current and future generations."
4. Review current allocation in the confined aquifer and assess the risks in relation to that level of allocation.

5. Consider mechanisms to adaptively manage the confined aquifer resource.
6. Develop a single set of objectives for managing the resource that applies to the entire Plan, rather than separate objectives for each section.
7. Allow conversion and transfer of a forestry licence to a water (taking) licence.
8. Include mechanisms that ensure movement of water onto a land parcel requires land owner permission.

Target Management Levels Wrap Up

Liz Perkins provided a wrap up of target management levels discussions.

Key Points:

- Recharge underpins sustainable allocation in the current plan
- Large uncertainty exists around recharge

Discussion:

- Members discussed:
 - What we know about recharge and how that then relates to its use as the basis for sustainably allocating the resource
 - The uncertainty around recharge and ability to then get allocation right
 - How the plan lacks mechanisms to respond if allocation isn't quite right or something else changes
 - The need for a higher level recommendation around investigating alternatives ways to determine sustainable allocation

SAG DECISION

The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:

1. Review the use of total available recharge as the basis for sustainable water management.
2. Consider mechanisms to adaptively manage the resource.

Confined Aquifer

Liz Perkins provided an overview of the confined aquifer principles.

Key Points:

- Current plan takes a cautious approach to the confined aquifer

Discussion:

- Members discussed whether a cautious approach was still appropriate and whether there was growing interest in activating more water in the confined aquifer
- Indication from members was there is a need to maintain a cautious approach
- There was no indication from members that the confined aquifer was beginning to be viewed as an alternate resource to the unconfined aquifer
- Members discussed over allocation in the Kingston confined management area and the need to revisit this as part of amendment

SAG DECISION

The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:

3. Retain Objective 8.1 a) specified in the current Plan which is to: "cautiously manage the confined aquifer so that it may continue to be available for the social, economic and environmental needs of current and future generations."
4. Review current allocation in the confined aquifer and assess the risks in relation to that level of allocation.
5. Consider mechanisms to adaptively manage the confined aquifer resource.

Trades and transfers

Sue Botting provided an overview of the principles specific to trades and transfer.

Key Points:

- *Landscape South Australia Act 2019* (the Act) – written in an unbundled language
- Mywater (new water licensing management system) will be unbundled
- Transfer of water licence vs transfer of a water allocation
- Forestry – no entitlement under the Act
- Objectives for trades and transfers
- Confined aquifer trades and transfer principles

Discussion:

- What does varying the basis of an allocation mean? Relevant once unbundled. Relates to the basis on which an allocation is derived – so change the basis that underpins what 1 share is e.g. 1 share is 1 KL – changing this basis
- Discussion around what an entitlement is vs an allocation in an unbundled environment – entitlement being a share of the resource, the asset vs the allocation being how much you can use – could be dependent on an adaptive management framework.
- Question in regards to whether this would prevent the government considering buy backs or compensation of reduction of water. For example an entitlement wouldn't be reduced. LC Landscape Board Staff not in a position to comment on where the government might sit around buy backs or compensation.
- Parallels were drawn around fishing licences vs fishing quotas as a way to better understand the difference between entitlement and allocation.
- Objectives for trades and transfer
 - Are they appropriate, anything missed? Could potentially put a line through the whole lot. Discussion around the simplification of the objectives e.g. most important ones could be minimise constraints on transfer and perhaps flexibility and equitability in access
 - Agreeance that objectives might not be needed throughout the plan and that this could be simplified
 - Question raised as whether objectives sufficiently support industry/economic needs
 - Are the objectives more conditions than objectives?
- Confined aquifer

- Discussion around whether the ability to transfer post reductions (max transfer of 75% of reduction + no hydro) was still needed
- Could potentially be incentives to combine licences
- Restriction on what purpose of use can be transferred to another purpose of use. There is no principle that then governs the transfer back e.g. irrigation could be transferred to mining but no principle that allows it to be transferred back
- Delivery supplement – requirement for it to stay with the property and couldn't be tradeable – this is incorrect – it can be traded to a different property. Intention was it would over time disappear but has not really occurred. DS is being largely retained. Nothing in the plan that says flood is lost if it is not used for three years – had been an impression that this would be the case.
- Forestry – maximum 5 years on trade or transfer can be an issue as the crop grows for potentially 30 years.
- The definition of temporary vs permanent - 5 year restriction due to it being temporary - beyond 5 years permanent. 5 year restriction also relates to whether a hydro test was required or not.
- Discussion around what is possible in the border zone in terms of trading between water taking/holding and a forestry water licence
- Recommendation in regards to forestry entitlement situation - needs (a lot) of work
- Discussion around temporary transfer vs a temporary transfer for seasonal variability – there could be greater clarity around what each transfer type is to allow licence holders to better understand which one they are seeking to use.
- There is a need for licence holders to better understand how temporary transfers of water works so that they aren't concerned that they can lose their water in that process

SAG DECISION

The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:

6. Develop a single set of objectives for managing the resource that applies to the entire Plan, rather than separate objectives for each section.
7. Allow conversion and transfer of a forestry licence to a water (taking) licence.

Water Market

- Members discussed views around what happens on the river in an unbundled environment. Concern over what happens on the river - anyone can buy water – no requirement to have land or a region interest - buying water takes no responsibility - inflates cost of water, holds people who need it for production to ransom, achieves nothing - speculation - benefits no one, including the resource.
- Some members suspected that principles like hydro test prevent water speculators
- Partial unbundling - entitlement will still be attached to land – opportunity to not fully unbundle like the river system
- Permission is not required to attach water to a person's land
- Water ownership should have a broader purpose
- Current water market could predominantly be land sale but there is certainly market around buying water to expand

- An example provided by one member on their temporary transfer experience when temporarily trading excess water. Went through real estate company - transfer can be a hassle and very difficult to navigate, seemed extremely complicated and process can seem different each time, and it's not always clear who can help you.
- A mature water market could negatively impact current water users as it could increase use
- Members recommended getting further perspectives on the water market from those who play a role such as real estate agents, water brokers etc
- There are certainly locals wanting to lease water
- Hydro test is really limiting - still needed - but is the first impediment
- Other members had used water brokers in Adelaide to source water
- Some people are sceptical around leasing water, don't understand it well enough and feel like they might lose control of their asset
- Generally speaking many don't know how the market works or where to go to get help
- Some are buying water to mitigate risk of reductions
- Members knew of examples in other areas where people sit on licences to make the water more valuable - appreciation in the value of licence
- Do markets help people the way you want them to? Sometimes yes even if perceptions are that they are bad
- Query for passing on to water licencing – need for a physical signature to transfer a water licence into a different name – could this be moved to electronic signature requirement?
- Reduced allocations sitting on licences – question for water licencing – how much allocation that is unused is reductions still sitting with a licence?
- Further discussion on trade and transfer if time permits at future meetings

SAG DECISION

The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:

8. Include mechanisms that ensure movement of water onto a land parcel requires land owner permission.

Other Business

Discussion around how much time would be available to discuss the 2019 risk assessment process. Evaluation is running to a tight timeframe, time may not be available within evaluation.

Close of meeting

Meeting closed at 3:00 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 7 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.
2.2	Session in future meeting on Groundwater Dependent Ecosystems to assist with stakeholder clarity.	Ongoing	To occur in July, meeting 8
2.4	Provide summary report that takes recommendations from the Plan and places them against actions that have been undertaken.		
2.7	Request for 10 year timescale (of the plan) resource condition trends for sharing more broadly with interested stakeholders	Ongoing	

Action Table – Closed Items

Action	LLC WAP Stakeholder Advisory Group Actions	Status
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.	Complete
2.1	Provision of presentation, provision of reports from presentation	Complete
2.3	Paddock Tree report to be provided on the project portal.	Complete
2.5	Arrange a presentation from DEW Water Licencing on licencing components and their experiences and perspectives as the body that administers them.	Complete
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
1.5	Convey stakeholder concerns around the Australian Rare Earths Limited development to the LC Landscape Board Governing Body.	Complete

Lower Limestone Coast WAP Stakeholder Advisory Group Decision Register

Issue	Meeting	Decision
Water market	Meeting 7	<p>The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:</p> <ol style="list-style-type: none"> 8. Include mechanisms that ensure movement of water onto a land parcel requires land owner permission.
Trades and transfers	Meeting 7	<p>The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:</p> <ol style="list-style-type: none"> 6. Develop a single set of objectives for managing the resource that applies to the entire Plan, rather than separate objectives for each section. 7. Allow conversion and transfer of a forestry licence to a water (taking) licence.
Confined aquifer	Meeting 7	<p>The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:</p> <ol style="list-style-type: none"> 3. Retain Objective 8.1 a) specified in the current Plan which is to: "cautiously manage the confined aquifer so that it may continue to be available for the social, economic and environmental needs of current and future generations." 4. Review current allocation in the confined aquifer and assess the risks in relation to that level of allocation. 5. Consider mechanisms to adaptively manage the confined aquifer resource.
Target management levels	Meeting 7	<p>The Stakeholder Advisory Groups recommends that the LC Landscape Board, through amendment of the Lower Limestone Coast Water Allocation Plan:</p> <ol style="list-style-type: none"> 1. Review the use of total available recharge as the basis for sustainable water management. 2. Consider mechanisms to adaptively manage the resource.
Farm forestry	Meeting 5	<p>The Stakeholder Advisory Group recommends that the Limestone Coast Landscape Board undertakes a review of the farm forestry principles and its risks and benefits.</p>

Forestry principles	Meeting 5	The Stakeholder Advisory Group recommends that the Limestone Coast Landscape Board undertakes a review of the assumptions that underpin the deemed rate. Review should consider available lines of evidence to inform the deemed rate.
Licencing components principles	Meeting 4	The Stakeholder Advisory Group recommends that the Limestone Coast Landscape Board undertakes a comprehensive review of the principles for licencing components to determine if amendment is required. Review should look at whether the principles could be simplified but must also consider risks to the environment or primary producers that changes could introduce. Review should also consider opportunities such as environmental allocations.
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.