

Briefing Note

State Priority Project for Floodplain Harvesting

Business Case

111124

The Business Case provided is dated June 2010. This document is a brief summary of key points gathered from a brief analysis. It is not conclusive and does not purport to represent the document in full.

The Business Case appears largely built on the draft policy that was released in 2010. It notes “the draft Floodplain Harvesting Policy has already been released publicly for consultation and the policy will be finalised prior to project commencement”. Further, “the Floodplain Harvesting Policy will be finalised in July 2010.”

- Implemented over a six year period.
- Nominal allocation still \$50m
- “Acceleration” of the NSW policy to license floodplain extractions and implement volumetric limits.
- Believe capacity to capture has grown and will continue to grow unless licensed.
- “limit extraction volumes to the floodplain harvesting component of the LTAAEL as set in WSP.
- Volumes limited to 2008 development levels where WSP not developed.
- Identify structures changing flow patterns and modify to “improve connectivity and distribution”.
- Without Commonwealth funding, program continues with implementation not before 2030/31.
- “Will not produce water savings in the form of licensed environmental entitlements”. Benefits to the environment are “improve the certainty of IQQM inputs” to reduce risk of exceeding LTAAEL. That is, it’s about avoided impacts.
- “NSW State (NSW Government and NSW Irrigators) will contribute 32% of the total project costs.” Total capex to irrigators is \$17.7m from 2012 to 2017. Total recurrent costs are \$4.17m from 2018 on.
- Targeted valleys are Gwydir, Border Rivers, Namoi and Macquarie.
- Halting “growth in use” is the key sales point of the document.
- Four options identified – State implementation over 20 years, SPP in priority northern valleys, moratorium on new works or NSW MDB-wide project. Option 2 is “preferred”. Total cost is \$62.4m (“excluding escalation risk”) with \$17.7 from irrigators, \$50m from Commonwealth and \$5.6m from NSW.

- Project is in 8 “tasks”;
 - Communications strategy
 - Data collection and database development
 - Valley wide FMPs and hotspot audit
 - Develop volumetric framework
 - Environmental assessment of works
 - Issuing works approvals and licenses
 - Remedial works
 - Compliance and enforcement

- Commencement dates proposed (based on December 2010 approval) are:
 - Gwydir – October 2011
 - Namoi – April 2012
 - Border – October 2012
 - Barwon-Darling and Macquarie – April 2013