Lower Limestone Coast Water Allocation Plan
Stakeholder Advisory Group
Minutes

Meeting No. 8, 6 March 2025, 10:45 – 3:45 pm

Chardonnay Lodge, Coonawarra

Objectives

- Check in on progress of the amendment process and next steps.
- Revisit guiding principles for the revised Plan to further refine and finalise draft (deferred to next meeting due to time).
- Understand the scope and progress of the PIRSA commissioned economic study for the Lower Limestone Coast Prescribed Wells area being undertaken by BDO.
- Revisit consumptive pools to work through key objectives and mechanisms for each of the proposed.

Attendees:

Group Attendees – Penny Schulz (Chair), Pete Bissell (Chair), Belinda Williamson, Claire Harding (MS Teams), Claire Davies, Darren Shelden, Graeme Hamilton, Kerry DeGaris, Melissa Herpich, Peter Balnaves, Simon Sherriff (MS Teams 11:25 am, then in person), Terry Buckley, Wayne Hancock.

LC Landscape Board Staff Attendees – Liz Perkins, Sue Botting, Chelsea Burns, Ryan Judd.

Primary Industries and Regions SA (PIRSA) – 10:45 am to 12:00pm - Matthew Palmer (MS Teams), Jennifer Schilling, Heather Bailey (BDO)(MS Teams), Alex Donnelly-Young (BDO)(MS Teams).

Apologies – Alan Rossouw, Kylie Boston.

Welcome and agenda

The Chairs welcomed everyone and thanked Group members and staff for their attendance and gave an acknowledgement of country.

Agenda check and minutes

Discussion:

- The Group had a brief follow up discussion around the December meeting presentations. The Group expressed an interest in understanding ways in which they could support the South Eastern Water Conservation and Drainage Board (SEWCDB) to obtain or be provided with increased funding.
- The Group discussed some of their take-aways from the presentations on the drains:
    - The idea that you can just drill a hole and recharge the aquifer from the drains is too simplistic, there are many complexities to it.
    - Big schemes would likely not work often enough into the future to justify cost of infrastructure. Perhaps could fill it up in some places where it has declined. Discussed Padthaway salinity issue as an example of the speed at which water travels through

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the aquifer. So could be of some value in places but the cost versus benefit would need to be understood.
    - It was reiterated that the two boards meet annually.
    - It was pleasing to understand how active the SEWCDB are in trying to find ways that they can use water to support aquifer recharge despite budgetary constraints. The Group discussed wanting to understand if there are ways they can encourage this further. The significant gap between what the SEWCDB receives and what they need was discussed. The benefits beyond farmers were also talked about.

Minutes from Meeting 7 were confirmed as true and correct.

Moved by: Peter Balnaves. Seconded by: Terry Buckley. All were in favour.

PIRSA economic study

Matthew Palmer, General Manager Industry Partnerships and Intelligence (PIRSA) and Heather Bailey, Senior Manager Economics (BDO) presented an overview and update on the '*Understanding the current value of Limestone Coast primary production sectors and potential impacts of changes in water availability'* project commissioned by PIRSA.

Discussion:

- The group queried whether water dependent primary production (WDPP) includes all beef production e.g. including dryland beef production for stock watering. It does not include dryland where water is required for stock, it is metered uses for irrigated fodder or pastures.
- The economic impact of not managing groundwater sustainably is not considered. TML is used as currently best available limit for sustainable allocation.
- The wine grape industry body is not representative of the whole industry as it is membership based and only represents independent grape growers which is about 30% of the industry and may be less/more depending on the region.
- Local Government Area productivity of dairy in Wattle Range is about twice that of the DC Grant which seems incorrect. It is more likely the other way around.
- The economics are based only on 2022-23 financial year. It was discussed that using an average would be more robust due to primary production industries being up and down across years and dependent on many conditions and scenarios.
- The Group queried if the report and model will be peer reviewed. This was not within scope for the project but has been raised by the LC Landscape Board and will continue to be discussed with PIRSA.
- It was queried whether the outputs be presented at management level or prescribed wells area level and what reduction to allocation scenarios would be run. It will be more at a commodity level and given there are no reductions scenarios proposed at this point in the process the plan is to run generic, sequential reductions of 5%, 10%, 15% etc.
- Group was reminded that the initial scope of work was provided to them from PIRSA for comment prior to commencement.
- It was discussed that the value or economics of an industry shouldn't be the decider on how our water is managed.
- Water allocation planning processes are very complex. If economics is moved into the forefront of decision-making processes, it will cause issues. The appropriateness of this work in the process was discussed with differing views on how economics is a part of these

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processes. Some discussed that acceptable impact and assessing economic impacts should be considered or at least understood.

- Some group members had concerns or lacked some confidence in elements of the data presented.
- Some representatives felt meat processing was not well represented.
- Some members requested their position be noted that they object to the use of this economic report and that the accuracy, assumptions and limitations are questionable. This was not the position of all members.
- Some discussed that there is a responsibility to understand economic impacts. It can be noted that some industries don't feel that they are accurately represented or that it is sensitive.
- Some discussed the importance of creating an appropriate profile of water dependent industries, with all processing within and outside of the region. Need to get away from the localised vision. All this will do is show how serious it is to make cutbacks which we already know.
- A query was raised as to whether there was WDPP in Moyhall as local knowledge suggests there is.
- Economic impact of not managing the resource sustainably is not at all considered. Water availability can come in different forms.
- How will it be used or what is the expectation was discussed. Some members saw it as a significant risk that it could be taken out of context or weaponised. The Board is obligated to consider it but not obligated it to use it. Need to consider relevance, robustness, peer review etc as would need to occur for any report or data put forward to inform the process.
- Report expected to be completed by the end of financial year.
- It was noted that the project misses economics of tourism and economic value of environmental responsibilities of industries. Indirect economic impacts are also not considered for the broader region. How does the environment get a value? Or indirect value. Budget allowed does not appear to support the study being able to be robust enough to support a usable output. Some concerns around this being perceived as the only economic work to support the amendment process.

Consumptive pools

Sue Botting presented on proposed consumptive pools objectives/principles for consideration of the group. Liz Perkins presented on mechanisms for the proposed First Nations consumptive pool.

General discussion:

- Is entitlement share new or is it a change in terminology? Is unbundling required or optional? It is a difference. Legislation is written as an entitlement and an allocation as a 12-month volume. Under the Act and Regulations, if a Plan is bundled it can remain bundled. Unbundling or partial unbundling is required if adaptive management is to be considered.
- Reductions would impact the water access entitlement (permanent) and restrictions under adaptive management would impact the allocation (temporary).

<u>Confined consumptive pool:</u>

- Do allocations have to be for 12-month allocation? Yes, legislation specify a maximum of 12-month allocation.

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- Some discussion around borrowing money from the bank to buy water, and the impact if the Minister then decides to implement a reduction. Without buy-backs licensees are left with less water and the same amount of debt.
- With restrictions under adaptive management are levy costs adjusted to reflect change in water available on licences. Levy is based on entitlement.
- Allocation issued for 12 months under the legislation, but the Plan will determine how often that allocation is reviewed or adjusted based on adaptive management mechanisms. For example, the Minister does have provisions under the legislation to adjust the allocations/volume but would be unlikely to activate those outside of provisions contained within a water allocation plan.
- Would reductions only occur when a Plan is under review or in transition. Minister does have power to impose reductions under the Act, however if the resource limit was triggered and the management of the resource was not acceptable then an appropriate mechanism could be an early review of the Plan which could result in a change to total water access entitlements.

Unconfined consumptive pool:

- Will rotational cropping principles be carried across or able to be implemented in a partially unbundled plan. This hasn't been worked through with the Group yet.
- Forestry representatives raised that the proposed mechanisms treat forestry unfairly. Applying reductions or restrictions to them to contribute to addressing groundwater level declines when they have already reduced their plantations as they have been unable to plant areas due to low rainfall, whereas irrigators are able to keep operating as they can run their pumps to meet their production which is contributing to issue of groundwater level declines.
- Issue of equitability between other industries and forestry, forestry received allocation through deemed rate which is an average whereas volumetric conversion was provided on an as needs basis.
- Difficulty in equitability of reductions within forestry industry and different growers as growers that are due for harvest take the reduction and others that have recently planted can continue growing for the rest of the rotation.
- The forestry industry needs to be consulted on these concepts now as industry are making investment decisions, particularly with carbon markets looking at 100-year projects.
- Forest water licences are treated completely differently to a water taking licence with an entitlement and allocation under the Act. Currently pursuing with DEW Policy and CSO how forestry can be managed within a partially unbundled system.
- Forestry representatives view they are double impacted by suspension scenario/adaptive management as already impacted by decline in water table therefore already reduced use. A lot more thought needs to go into reductions or adaptive management for forestry. Deemed rate is an average, deemed rate needs to be reviewed or discussed.
- Transition is primarily administrative. Reductions can be applied from the adoption of the plan but may also be a reduction schedule.
- How is the new version of TML going to be determined this time? TML under current plan was based on 90% of recharge based on best available science at the time. Acceptable impact and sustainable limit will be challenging to demonstrate to the community.

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Stock & Domestic Consumptive Pool:

- Is there a maximum area that defines what is domestic and what needs a licence? The legislation has a definition of what domestic purpose doesn't include:
    - domestic purpose in relation to the taking of water does not include— (a) taking water for the purpose of watering or irrigating land, other than land used solely in connection with a dwelling; or (b) without limiting paragraph (a)—taking water for the purpose of watering or irrigating more than 0.4 of a hectare of land; or (c) taking water to be used in carrying on a business (except for the personal use of persons employed in the business).

Environmental CP:

- Where will the water access entitlements or allocations come from? Entitlements and allocations could be donated from other licences or purchased.
- Supplementary environmental water and supplementary environmental water holder. Has a community benefit so should ideally be purchased with public funds.
- Could holding licences be environmental licences as it is essentially being used for the environment as it isn't being used? Existing holding licences could be donated or sold.
- Use of supplementary environmental water should perhaps be overseen by a committee or some other decision-making group, to ensure use doesn't have other negative consequences and is targeted to priorities and emergency ecological support. Should include ability to temporarily use supplementary environmental water in areas that may fail a hydro test (e.g. emergency responses).

First Nations CP:

- First nations/cultural water – what is this water used for and what volumes are being taken? Very little if any is being taken. Inclusion of Section 105 authorisation for Native Title or traditional cultural purposes considered in the Stock and Domestic Consumptive Pool doesn't extend to commercial use or opportunities. It is for traditional cultural activities where Native Title may not have been determined.
- Is there a risk that First Nations could access government funds to purchase water that can be used to become water barons and then be leased causing issues with local industries and productivity?
- The potential abuse of this water needs to be considered for industries/corporations that could take advantage of this by providing funding to purchase water on the agreement it would be leased back to them which would then be exempt from reductions and restrictions.
- Should there be a ceiling on the size of this consumptive pool.
- Could the consumptive pool be subject to reductions? If the intent is to increase water access and opportunity for First Nations, then reductions are counterproductive.

Process check in

Liz Perkins provided an opportunity for a check in on the amendment process.

Discussion:

- Group needs the Board to provide concepts that can be assessed and critiqued so that there are not only discussions had and progress is still being made.

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- Concerns that the model will use scenarios of full use of allocation as it is seen as completely unrealistic. If members or industry groups raise concerns but not getting a response that seems to be sufficient then what is the correct process for escalating these concerns? The Group and Board will be first contact to raise concerns. If it feels as if this concern is not being considered or responded to as believed to be reasonable then it is accepted that these issues will be escalated through Government.
- It needs to be ensured that members of the Group follow the correct process and do not try to go around the process.
- In relation to the guiding principles provided by the Green Triangle Forest Industries Hub. Feedback was requested from the Group on the draft guiding principles. This is provided as the feedback. It was expected it would be provided the Group as part of the process.
- The Group was advised of SA Dairyfarmers Association (SADA) seeking government support to use a consultant to do technical groundwater modelling work for the process support. In addition, there were criticisms from SADA of the current groundwater models. This seeking of support occurred outside of the process and governance the LC Landscape Board has built for the process. Members were asked to consider the governance and mechanisms in place to raise concerns and how the Group can support these being used first.
- Sometimes members of the Group feel like we've moved on from topics when more time is needed to digest issues and then there is a need to revisit them.
- Is there any need to revise the ground rules or terms of reference? No consensus on this was reached. The Group discussed appropriate mechanisms and governance to raise concerns.
- Some group members raised that talking further with industries is needed sooner rather than later to manage concerns and uncertainty about where investment is being made. A meeting through the Green Triangle Forest Industries Hub was preferred.

Revisit guiding principles

- Agenda item was deferred due to time.

March broader consultations

- Agenda item was deferred due to time. Follow up via email.

Next meeting date

- Next meeting date: Meeting 9 scheduled for Thursday 22 May 2025.

Close of meeting

Meeting closed at 3.52 pm.
The Chair thanked the stakeholders and staff for attending.

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Lower Limestone Coast WAP Stakeholder Advisory Group
Action Table

Action	LLC WAP Stakeholder Advisory Group Actions	Status	Meeting 8 Update
1.1	LC Landscape Board to provide the Group updates on outcomes from the Limestone Coast Water Steering Committee.	Ongoing	
3.1	LC Landscape Board to analyse potential amalgamations and provide back to the Group.	Ongoing	
3.3	Revisit management zones as adaptive management and sustainable allocation are considered.	Ongoing	
3.4	Understand the impact of SPR and DS if class 3 and 4 were merged to look at moving forward with 3 classes as a starting point.	Ongoing	
3.5	Allocation and use data to be presented spatially in addition to the table.	Ongoing	Completed for allocation and use data for extraction only (2015-23). Forestry data doesn't cover same period. Graphs for 2018-22 including forestry will also be loaded at a later date.
4.1	Run two scenarios: full allocation extracted with RCP4.5 climate change scenario and current average extraction with RCP4.5 climate change scenario.	Ongoing	Modelling scenarios to be varied based on new climate projects (NARCliM 2.0) now being available. This will be discussed in detail at appropriate future meeting.
5.2	Organise for the Group to meet with the South East Aboriginal Focus Group.	Ongoing	LC Landscape Board to present to the South East Aboriginal Focus Group in March 2025.
6.2	LC Landscape Board to added glossary of terms on project page.	Ongoing	
8.1	LC Landscape Board staff to provide some examples of reductions vs restrictions using same example – do a one pager example.	Ongoing	

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Action Table – Closed Items

Action	LLC WAP Stakeholder Advisory Group Actions	Status
1.2	LC Landscape Board staff to take the option of proxies in the terms of reference to the LC Landscape Board Governing Body.	Complete
1.3	LC Landscape Board staff to provide an overview of the monitoring network at Meeting 2.	Complete
3.2	Move forward with same management zones as current for now.	Complete
5.1	Revisit guiding principles for the Plan in Meeting 6.	Complete
2.2	Provide the Group terms of reference for Limestone Coast Water Steering Committee	Complete
2.1	Request from Group for extraction and allocation for each management area + holding licences info.	Complete
5.3	Have a session on the drains to provide members more information.	Complete
6.0	Pull out key concepts slide and provide on members project page.	Complete
6.1	LC Landscape Board to send out dates for meetings for the first 6 months of 2025.	Complete
6.3	LC Landscape Board to query DEW about providing IMAT table to the Group.	Complete

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