Re: BDL models and Floodplain Harvesting

From: Andrew Brown
To: Daniel Connor
Cc: Rachel Connell, Beth Overton, Daniel Blacker (DOI), Danielle Baker, Richard Beecham

Date: Sun, 22 Jul 2018 23:53:23 +0000
Attachments: Unnamed Attachment (68 bytes); Unnamed Attachment (68 bytes); Unnamed Attachment (68 bytes); Unnamed Attachment (68 bytes); Unnamed Attachment (68 bytes); image005.png (2.48 kB); image001.gif (4.49 kB); image002.png (1.28 kB); image003.png (1.35 kB); image004.png (1.76 kB)

I've been dealing with this from another angle that is attempting to get agreement from MDBA that new BDL scenarios we have provided to MDBA represent the best available information, and thus should be recognised as the new BDL.
However, the core of the issue is not the technical in's and out's of model scenario building, rather that MDBA is desperately afraid of the media coverage when it becomes apparent that the number for BDL has gone substantially up.
There will be immediate claims that NSW is fiddling the figures, closely followed by questions about why MDBA isn't stopping this from happening.
Presuming we can get through the initial shock phase, the follow up questions about how did MDBA get it so wrong, and does this undermine the entire Basin Plan will be difficult for MDBA to address credibly because the true answer is nuanced to the eyeballs.
None of this stuff is terribly new and NSW modellers have repeatedly warned MDBA staff about the core issues for at least a decade, but that doesn't really help us in the here and now. We will need to decide how much of an olive branch we want to extend to MDBA if they want to go down the road of keeping quiet.
I remain a fan of telling everyone who cares as much as we can about what we are doing to make the BDL models as good as we are able to get them, and how this is directly and explicitly part of the Basin Plan implementation process.
Andrew

Andrew Brown | Principal Modeller, Water Modelling
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On Mon, Jul 23, 2018 at 9:24 AM Daniel Connor wrote:

> Hi Rachel,
> This is a bit unexpected.
> There are two issues at play here, the technical veracity of new BDL models and the policy/planning response to reconcile differences in two disparate processes.
> In relation to the technical veracity of new BDL models, this is Richard Beecham's domain. I am aware that Richard and his team have been engaging with the MDBA for some time in relation to this. Richard - do you have any briefings on this that you can send to Rachel?
> In relation to policy/planning response - there are no briefs on how we would reconcile a new BDL estimate to the best of my knowledge. To be honest I didn't think it needed one based on correspondence with Tony McLeod and his suggestion to formalise with an email between Carl and yourself. Note that the cab sub does deal with managing to a single Plan limit/BDL.
> I am free at 2:15 for a quick chat about this - I'll set it up.
> Specific comments to Carl's points below in red:
> **What we agree on**

· We are comfortable with the proposal to issue entitlements for floodplain harvesting and establish the framework as part of the WRP. Noted

· We are also happy that scope is provided for the BDL estimate to be refined and share available to entitlements to be adjusted accordingly. Noted. This is what the Basin Plan provides for.

· We agree that there may be benefit in separating the process to finalising/reconciling the floodplain harvesting estimates and BDL adjustment from the WRP completion Noted

What we are concerned about.

· We are concerned that stakeholders will need time to absorb and debate any change to the BDL. Noted. In fairness this is a technical debate that stakeholders will have little to not capacity or ability to influence. Stakeholders have never had any role in debating changes to models. Cap model accreditation was via an independent audit group and was a very technical exercise, we expect similar in this case as part of WRP accreditation.

· The feedback I have had is that the work done by NSW in the Gwydir and Border Rivers is a significant improvement. however, there is a concern that the BDL estimates for floodplain harvesting are relatively new and there is limited data to draw upon which means that any estimate is vulnerable - so it is important our teams are ultimately agreed on what is reasonable. Agreed

· We would prefer that because of the uncertainty with the Floodplain Harvesting component of the BDL, it is quarantined and accounted for separately. From a technical perspective we believe that we are doing all that can be done to improve this estimate. The policy changes before cabinet on Thursday will allow us to manage to an overall limit to mitigate against acute social and economic impacts. Friday last week, NSW Agencies through the RSOG agreed to to manage to an overall BDL with any growth in use response targeted at either FPH or non-FPH components - dependent on where the growth is coming from. What MDBA are asking for here is beyond the requirements of the Basin Plan and we do not support this for the reasons summarized above.

· If a Floodplain Harvesting BDL estimate is published it will create expectation and it is always much harder to revise something down than revise it up. Noted. We are confident in being able to defend our new BDL estimate - publishing the estimate is crucial to being able to defend our approach to draft entitlements and acc rules for FPH.

Our Preferred Approach

The entitlements are created as a share of the pool.

And in order preference

Option 1

No BDL estimate is provided – rather a process for review and engagement of stakeholders is put out and shares are crystalised when the BDL estimate is finalised. We dont support this. From a process perspective, this would be the best outcome, but it would mean both HFP project and WRP failure - happy to discuss this.

Option 2

A more conservative estimate and/or range of estimate (i.e XXXGL – YYYGL) is published. Once finalised the shares are then crystalised ... in this way expectations are managed. We dont support this as the approach wont allow us to defend/explain the draft entitlements and acc rules which have been designed to deliver the new BDL estimate.

Option 3

The current NSW estimate is published and the MDBA reserves its position indicating that our review is yet to be completed. This is our preferred option and would be more than happy to adjust messaging so that the MDBA is conformable.
I am concerned about option 3 as the pressure and stakeholder expectations will then be directed to the MDBA and we also create potential for conflict between our agencies. Not if we message it right. We have to agree on a BDL model, at the moment it is proposed by NSW, but this could change via agreement with MDBA as part of WRP accreditation.
Likewise option 1 has problems as we accept that the current BDL estimate is too low. Agree Option 2 feels the most realistic balance of our needs and I would be happy for the teams to progress on this basis. Option 2 also provides the capacity to "decouple" the process for the purposes of WRP completion. Disagree

Regards

Daniel Connor | Healthy Floodplains Project Lead (Stage 1)
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W: www.dpi.nsw.gov.au

On 23 July 2018 at 06:54, Rachel Connell wrote:

Hi Dan and Beth
See below.
Can we pls discuss today? I'm free 215 - 245.
Also, is there a more detailed briefing on the issue(s) currently available?
Cheers

Rachel Connell | Executive Director | Water
Department of Industry - Lands and Water Division

W: www.water.nsw.gov.au

---------- Forwarded message ----------
From: **Carl Binning**
Date: 20 July 2018 at 19:15
Subject: RE: BDL models and Floodplain Harvesting
To: Rachel Connell <
Cc: Carmel Romano

Rachel,

Based on what I have been able to find out from the team – we are not 100% clear on what is intended. So I have outlined below what we agree on and some concerns.

It would be good for the teams to touch base early next week to discuss. Given the sensitivity it would be good to have the opportunity to look over the communication material before it is released.

What we agree on

· We are comfortable with the proposal to issue entitlements for floodplain harvesting and establish the framework as part of the WRP.

· We are also happy that scope is provided for the BDL estimate to be refined and share available to entitlements to be adjusted accordingly.

· We agree that there may be benefit in separating the process to finalising/reconciling the floodplain harvesting estimates and BDL adjustment from the WRP completion

What we are concerned about.

· We are concerned that stakeholders will need time to absorb and debate any change to the BDL.

· The feedback I have had is that the work done by NSW in the Gwydir and Border Rivers is a significant improvement. however, there is a concern that the BDL estimates for floodplain harvesting are relatively new and there is limited data to draw upon which means that any estimate is vulnerable - so it is important our teams are ultimately agreed on what is reasonable.

· We would prefer that because of the uncertainty with the Floodplain Harvesting component of the BDL, it is quarantined and accounted for separately.

· If a Floodplain Harvesting BDL estimate is published it will create expectation and it is always much harder to revise something down than revise it up.

Our Preferred Approach

The entitlements are created as a share of the pool.

And in order preference

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No BDL estimate is provided – rather a process for review and engagement of stakeholders is put out and shares are crystalised when the BDL estimate is finalised.

Option 2

A more conservative estimate and/or range of estimate (i.e XXXGL – YYYGL) is published.

Once finalised the shares are then crystalised ... in this way expectations are managed.

Option 3

The current NSW estimate is published and the MDBA reserves its position indicating that our review is yet to be completed.

I am concerned about option 3 as the pressure and stakeholder expectations will then be directed to the MDBA and we also create potential for conflict between our agencies.

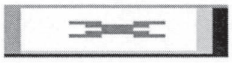
Likewise option 1 has problems as we accept that the current BDL estimate is too low.

Option 2 feels the most realistic balance of our needs and I would be happy for the teams to progress on this basis. Option 2 also provides the capacity to "decouple" the process for the purposes of WRP completion.

Please note Tony has been on leave – if I have not grasped the intent correctly I am very happy to revisit the conversation early next week.

Carl Binning

Executive Director, Environmental Management Division



Murray–Darling Basin Authority
GPO Box 1801 Canberra ACT 2601

w: www.mdba.gov.au

Follow the MDBA:

From: Rachel Connell
Sent: Friday, 20 July 2018 3:04 PM
To: Carl Binning
Cc: Carmel Romano
Subject: BDL models and Floodplain Harvesting

Hi Carl,

Further to our meeting on Tuesday and ongoing discussions at officer level, we are seeking your agreement on a process to reconcile any differences in the estimate of floodplain harvesting under the BDL.

We are in the process of updating BDL models as part of the process of implementing the Floodplain Harvesting Policy across the Northern Basin and this process is indicating that the volume of floodplain harvesting under the BDL has to-date been underestimated.

I understand that it has been recognised for some time that this was likely to occur.

There is likely to be a misalignment between the formal recognition of these new BDL estimates by the MDBA as part of the WRP accreditation process and the creation of floodplain harvesting entitlements as part of the process of implementing the NSW Floodplain Harvesting Policy.

I understand that our staff have agreed to a reconciliation process where this misalignment occurs. This reconciliation process will occur through the setting of a maximum Available Water Determination in Water Sharing Plans developed as part of the WRP. For example, if the BDL estimate formally recognised by the MDBA is less than the BDL estimate used to inform the creation of floodplain harvesting entitlements then a maximum AWD of less than 1ML/unit share for floodplain harvesting licences will be set in the WRP to reconcile this difference.

This process will allow NSW to be able to demonstrate compliance with the SDL as part of WRPs, should these BDL estimates change.

I'm seeking your agreement to this reconciliation process.

Have a good weekend.

Cheers

Rachel Connell | Executive Director | Water

Department of Industry - Lands and Water Division

W: www.water.nsw.gov.au