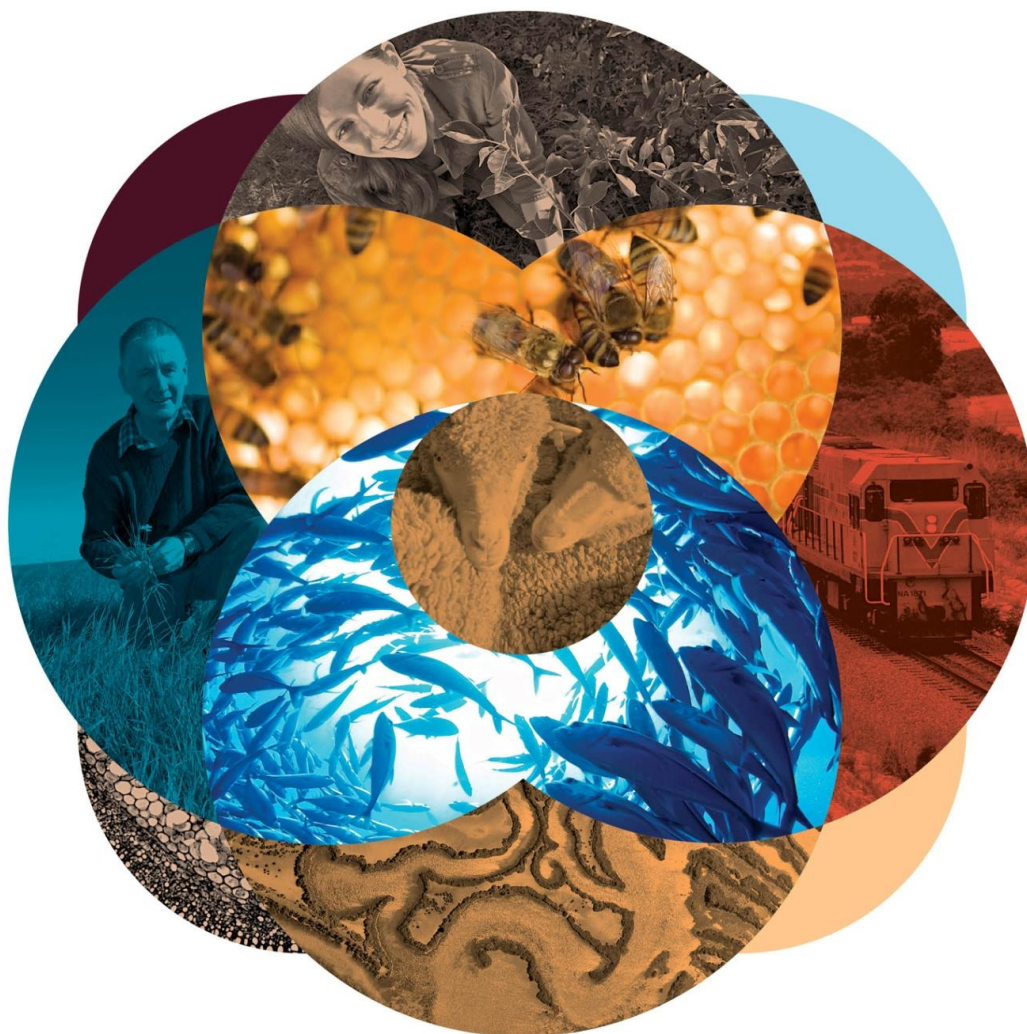




Australian Government
Department of Agriculture

National Partnership Agreement on Implementing Water Reform in the Murray– Darling Basin

Milestone assessments for the year
ending 30 June 2018



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Acronyms

Acronym	Definition
ACT	Australian Capital Territory
CEWH	Commonwealth Environmental Water Holder
CEWO	Commonwealth Environmental Water Office
DELWP	Department of Environment, Land, Water and Planning (Victoria)
DEW	Department for Environment and Water (South Australia)
DNRME	Department of Natural Resources, Mines and Energy (Queensland)
EWAG	Environmental Watering Advisory Group
GL	gigalitres
GMWC	Goulburn–Murray Water Connections Stage 2
HEW	Held Environmental Water
IGA	Intergovernmental Agreement on Implementing Water Reform in the Murray–Darling Basin
LTWP	long-term environmental watering plan
MDBA	Murray–Darling Basin Authority
MDBWIP	Murray–Darling Basin Water Infrastructure Program
MLC	Member of the Legislative Council
MP	Member of Parliament
NPA	National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin
NSW	New South Wales
NWI	National Water Initiative
PPM	Pre-requisite Policy Measure
SA	South Australia
SDL	Sustainable Diversion Limit
VEWH	Victorian Environmental Water Holder
VFMP	Victorian Farm Modernisation Project
WRP	Water Resource Plan

Background

The *Intergovernmental Agreement on Implementing Water Reform in the Murray–Darling Basin* (IGA) is an undertaking by the Australian Government and the Murray–Darling Basin state governments to build on existing achievements by implementing water reforms that further improve the health of the Murray–Darling Basin (Basin) and secure a future for its communities.

Part 7 of the IGA commits the Australian Government to providing financial support to the Basin states via the *National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin* (NPA).

Each Basin state has committed to implementing the NPA in accordance with milestones set out in Schedule A, and reporting on milestone progress through an annual Statement of Assurance.

Assessor's role

Using the statements of assurance and any supporting documentation provided by each participating Basin state, the assessor is required to evaluate jurisdictional performance against milestones in Schedule A to the NPA (see [Appendix A](#)), as described in Part 4 of the NPA (Department of Agriculture 2019).

This assessor's report provides advice to the Australian Government minister with portfolio responsibility for water in relation to Basin state performance against milestones set out in Schedule A, the extent to which the milestones have been met and, where the state has not met or partially met a performance milestone, any steps and activities that it took to meet the milestone.

The minister will decide whether payment should be made to a Basin state under the NPA.

The National Water Commission was initially tasked with the assessor's role and completed the required assessments in 2013 and 2014. The *National Water Commission (Abolition) Act 2015* abolished the National Water Commission in June 2015. The assessor's role has transferred to the Department of Agriculture (the department). This is the fourth report prepared by the department.

Assessment scope

This report provides a detailed assessment of Basin states' progress against the actions listed in Schedule A of the NPA.

In November 2017 the Murray–Darling Basin Authority (MDBA) released *The Murray–Darling Basin Water Compliance Review* (MDBA 2017a). The review found significant degrees of difference between Basin states' cultures of compliance. The Australian Government announced on 27 November 2017 that it will link Murray–Darling Basin Plan (Basin Plan) implementation payments to progress by Basin jurisdictions in reforming compliance arrangements and the development and delivery of Basin Plan-compliant water resource plans (Turnbull 2017).

The Commonwealth and the Basin states entered into the *Murray–Darling Basin Compliance Compact* (the Compliance Compact) in June 2018 to address compliance and integrity of Basin water management issues identified in this and other recent reviews (MDBA 2018a). The department has considered Basin states' progress in the development of water resource plans and flagged expectations regarding compliance in the 2017–18 assessment. Basin states efforts to implement the Compliance Compact will be considered in the 2018–19 assessment.

Assessment approach

Each Basin state was required to provide a Statement of Assurance to the department. The information provided in the Statements of Assurance and other material was compared with milestones in Schedule A.

In conducting this assessment, the department consulted with Australian Government agencies, including the Commonwealth Environmental Water Office (CEWO) and the MDBA. Basin states were given an opportunity to comment and provide feedback before the assessment was finalised.

Information in this assessment report is current to November 2018 for the Australian Capital Territory, Queensland and South Australian assessments, and to March 2019 for the New South Wales and Victorian assessments.

1 Assessment for the Australian Capital Territory

1.1 Summary of findings

The Australian Capital Territory (ACT) made satisfactory progress to implement the Basin Plan in 2017–18. It has agreed with New South Wales (NSW) to enable trade between the ACT and NSW Murrumbidgee; however, arrangements for trade are unlikely to be in place by June 2019. The ACT has cooperated in arrangements for Basin Plan environmental watering through a thorough five-year review of its Environmental Flow Guidelines.

The ACT reported continuing progress in developing its water resource plans (WRPs), including working with New South Wales to align the ACT and NSW Murrumbidgee WRPs. The MDBA advised it is working closely with the ACT on developing its surface water and groundwater WRPs. The MDBA reported that the ACT is on schedule to complete and submit its WRPs for assessment and accreditation in early 2019 (MDBA 2018b).

Findings for the ACT are summarised against each milestone in Table 1 in the order they appear in the NPA. Full findings and details of the assessment are also included in this chapter.

Table 1 Summary of findings for the Australian Capital Territory

National Partnership commitments	Assessment summary	Finding
6) The state has supported the Commonwealth in bridging the gap.	a) Arrangements to enable water trading between the ACT and New South Wales are not yet in place. The ACT and New South Wales have reached an in-principle agreement to develop and implement interstate water trade arrangements, but these may not be in place by June 2019. b) The ACT did not introduce any restrictions or suspensions on the trading of water access entitlements. c) The ACT did not take any action to impede Commonwealth measures to acquire water for environmental purposes. d) The ACT has not been involved in Commonwealth applications for water trading. e) The ACT entitlements in regulated surface water systems are consistent with the provisions of the National Water Initiative clauses 28 to 32.	Milestone partially met. Steps and activities are underway to fully meet the milestone although a timeframe is unclear.

National Partnership commitments	Assessment summary	Finding
7) Following publication of the Constraints Management Strategy by the MDBA, confirmation that any actions taken by the state to remove or address constraints are consistent with the measures agreed through the inter-jurisdictional governance procedure for the Sustainable Development Limit adjustment mechanism.	Not applicable to the ACT.	Not applicable.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	a) The characteristics of licensed entitlements held for environmental water use in the ACT have not been enhanced or diminished relative to like entitlements held and used for other purposes. b) The ACT has implemented measures to facilitate the use of environmental water. c) The ACT annual environmental watering priorities could not be used by the MDBA in developing the Basin Plan annual watering priorities as they were received well after the 31 May 2018 deadline. d) The ACT does not have any held environmental water and applies the Basin Plan's <i>Principles to be applied in environmental watering</i> in its releases of planned environmental water. e) Environmental watering has occurred with regard to the views of local communities and persons materially affected by the management of environmental water. f) The ACT did not meet its agreed timeframe with the MDBA to submit its long-term watering plan by mid-2018 but has negotiated a further extension to February 2019.	Milestone partially met.

1.2 Bridging the gap

1.2.1 Removal of barriers

The ACT partially met this commitment for 2017–18.

Interstate trade between the ACT and the NSW Murrumbidgee has not yet been enabled.

Following an approach by the MDBA to both jurisdictions in 2015, the ACT made efforts to enable trade but for some time no progress was possible due to a lack of engagement by New South Wales.

In June 2017, ACT and NSW Water Ministers advised the Murray–Darling Basin Ministerial Council they had reached an in-principle agreement to establish interstate entitlement trade between the ACT and New South Wales.

New South Wales advised the department on 26 April 2018 and 17 September 2018 that it did not see a need to put in place trading arrangements by June 2019 as agreement had been reached on the ACT's shared reduction of 4.9 GL, which does not involve trade, and because it

considers the ACT Murrumbidgee to be an unregulated system. Trade between unregulated and regulated systems is not required under the Basin Plan.

The MDBA considers that the lack of trading arrangements is inconsistent with the Basin Plan water trading rules. However, it notes that if the proposed amendment to the Basin Plan (to recognise the ACT's shared reduction amount of 4.9 GL) is passed, there will not be an immediate need for trade. Contrary to New South Wales' position, the MDBA considers the ACT Murrumbidgee to be the start of the regulated system and that trade arrangements need to be enabled, including with Victoria and South Australia.

On 2 October 2018, New South Wales formally requested the ACT provide information for discussion on the development of a trading framework including on the potential location of trading zones and allowable directions of trade. New South Wales also advised that, as part of its review of the New South Wales water sharing plans within the Murrumbidgee WRP area, it will implement new trade rules for the ACT. This will be achieved by placing an amendment clause in the Water Sharing Plan for the Murrumbidgee Unregulated and Alluvial Water Sources 2012.

The department is concerned that entitlement trade between the ACT and NSW Murrumbidgee may not be in place by June 2019 and expects both jurisdictions to make progress in 2018–19. The department will take into account progress made on this issue during 2018–19 for its assessment of ACT and New South Wales efforts to implement the Basin Plan in 2019.

The ACT reported it is otherwise compliant with the Basin Plan water trading rules (ACT Government 2018). The MDBA did not raise any other issues with ACT trade rules.

1.2.2 Restrictions on trade

The ACT met this commitment for 2017–18.

The ACT did not introduce any restrictions or suspensions on the trading of water access entitlements (ACT Government 2018) and the MDBA's advice supports this finding.

1.2.3 Actions to impede Commonwealth water acquisitions

The ACT met this commitment for 2017–18.

The ACT's contribution to the shared reduction amount in the southern Basin was met through the Commonwealth's 2014 purchase of 4.9 GL of ACT-held entitlement from the NSW Murrumbidgee. The Commonwealth therefore did not seek to acquire water for environmental purposes from the ACT during 2017–18.

The ACT cooperated with the Murray–Darling Basin Water Infrastructure Program (MDBWIP) launched in July 2018 to finalise bridging-the-gap for the Sustainable Diversion Limit (SDL), and for the 450 GL of efficiency measures required under the Basin Plan with neutral or positive socio-economic impacts. The legislated 605 GL adjustment to the SDL requires 62 GL of efficiency measures to be secured by June 2019. The ACT is investigating a recovery of 15 GL towards this goal and has supported all measures under the program, including on-farm water efficiency measures.

1.2.4 Processing times for trades

The ACT met this commitment for 2017–18.

There were no trades of water resources within the ACT, where the Commonwealth was a participant, during the assessment period (ACT Government 2018).

1.2.5 NWI-consistent entitlements

The ACT met this commitment for 2017–18.

The ACT manages water under an interim water resource plan (WRP) that was extended to June 2019. Under this plan, the ACT's water access entitlements are consistent with the provisions of clauses 28 to 32 of the National Water Initiative (NWI) (NWC 2014).

1.3 Implementation of Constraints Management Strategy

Not applicable to the Australian Capital Territory.

1.4 Cooperation in environmental watering

1.4.1 Characteristics of licensed entitlements

The ACT met this commitment for 2017–18.

The MDBA and the CEWH have not advised of any restrictions that would constitute discriminatory or preferential treatment for licensed entitlements held for environmental use during the 2017–18 assessment period.

1.4.2 Measures implemented to facilitate use of environmental water

The ACT met this commitment in 2017–18.

The ACT does not hold any water entitlements for environmental use.

The ACT's 2017–18 Statement of Assurance confirmed that measures to facilitate the use of environmental water occur through its legislated Environmental Flow Guidelines which provide for the quantity and timing of releases from water storages and restrictions on the volume of water that can be abstracted from a water management area (ACT Government 2018).

The guidelines are under review, with a number of improvements being incorporated to ensure consistency with the Basin Plan. The draft guidelines were released for public consultation on 25 June 2018; information on the consultation process (now closed) is available on the ACT Government website (ACT Government 2019).

Requirements for environmental flow releases from water supply dams are also contained in the water licence held by Icon Water (ACT Government 2018).

1.4.3 Annual environmental watering priorities

The ACT partially met this commitment for 2017–18.

The ACT reported that it completed and submitted annual watering priorities to the MDBA by 31 May 2018. However, a computer error meant these were not received by the MDBA and were resubmitted in August 2018. The MDBA did not receive 2018–19 ACT priorities until 30 August

2018. Because of the delay, the MDBA did not consider these for developing Basin annual environmental watering priorities.

1.4.4 Management of environmental water consistent with the Basin Plan

The ACT met this commitment for 2017–18.

The ACT does not have any held environmental water and manages releases of planned environmental water in accordance with the ACT Environmental Flow Guidelines (ACT Government 2018), which are currently being reviewed. When finalised, the 2018 guidelines are expected to form a central component of the ACT's Water Resource Plan to be accredited by the MDBA (ACT Government 2018).

Icon Water reported 100 per cent compliance with environmental flow requirements in 2017–18 (Icon Water 2018).

The Commonwealth and Basin states entered into the *Murray–Darling Basin Compliance Compact* (MDBA 2018a) in June 2018 to address compliance and integrity of Basin water management issues identified in recent reviews. While the Murray–Darling Basin Water Compliance Review (MDBA 2017a) indicated the ACT already has a comprehensive compliance framework in place, the Compliance Compact includes a number of actions for the ACT to improve its compliance regime. The department acknowledges the ACT's agreement to the Compliance Compact and its willingness to further strengthen its compliance regime. The department will consider Basin jurisdiction efforts to implement the Compliance Compact in its 2018–19 assessment.

1.4.5 Consultation on environmental watering

The ACT met this commitment for 2017–18.

As the ACT does not have any held environmental water, consultation on environmental flows primarily occurs through the five-yearly reviews of the Environmental Flow Guidelines. The draft 2018 Environmental Flow Guidelines were released for public consultation on 25 June 2018.

1.4.6 Long-term environmental watering plans

The ACT has met this commitment for 2017–18.

Schedule A of the NPA requires that 12 months after the MDBA has made the Basin-wide Environmental Watering Strategy, or within another timeframe agreed between the MDBA and the ACT, long-term environmental watering plans (LTWPs) for surface WRP areas must have been developed consistent with the requirements of the Basin Plan.

The MDBA granted the ACT an extension to submit its LTWP by mid-2018 and this deadline has not been met (MDBA 2018c). The MDBA advised that the ACT was granted a further extension based on progress to date for the lodgement of its LTWP until February 2019. The MDBA continues to work with the ACT to ensure a LTWP consistent with the requirements of the Basin Plan.

2 Assessment for New South Wales

2.1 Summary of findings

New South Wales made satisfactory progress to implement the Basin Plan in 2017–18, although it remains well behind in its delivery of key measures to achieve key NPA milestones, such as the delivery of WRPs by 30 June 2019. This is a legacy of its inaction before 2017–18, as reflected in the department’s negative assessment for 2016–17. However, the department recognises the substantial efforts New South Wales has made to make up for past performance.

New South Wales has agreed with the ACT to enable trade between the NSW Murrumbidgee and the ACT; however, this is unlikely to be enabled by June 2019. New South Wales made progress with its constraints proposals in the southern Basin but did not provide the Commonwealth with a business case to support the Gwydir constraints proposal in the northern Basin until December 2018. It also did not provide its assessment of Victoria’s revised Goulburn constraint measure proposal until February 2019.

New South Wales has worked collaboratively with the MDBA, and has invested substantial effort in developing its WRPs over 2017–18 (MDBA 2018d). However, it remains behind acceptable WRP development timelines. The MDBA and department remain concerned about the large volume of work remaining for it to prepare WRPs for accreditation. The MDBA reported in December 2018 it considered there were very significant risks to the timely development of 12 of New South Wales’ 20 WRPs (MDBA 2018d).

On 10 October 2018 the NSW Minister for Regional Water, the Hon. Niall Blair MLC, wrote to the Minister for Agriculture and Water Resources, the Hon. David Littleproud MP, indicating the agreed deadline of June 2019 to deliver NSW’s WRPs is no longer considered to be achievable. In February 2019 New South Wales requested an extension to 31 December 2019 for the accreditation of its WRPs. The department notes the recent progress New South Wales has made but also notes that Basin states have had seven years from 2012 to undertake the necessary work to ensure accreditation by 30 June 2019.

Progress on LTWPs in New South Wales is tied to progress on WRP development, and is also well behind schedule. New South Wales has completed public consultation on the draft Gwydir, Lachlan and Macquarie–Castlereagh LTWPs (OEH 2018). The delivery of pre-requisite policy measures (PPMs) is also impacted by WRP delays. The PPMs underpin the SDL and are needed to ensure the efficient use of environmental water.

New South Wales worked cooperatively in 2017–18 to deliver approved infrastructure projects under the Basin Pipes program, but the acquisition of water for environmental purposes was hindered by New South Wales not advancing the Basin Pipes program proactively. This contributed to New South Wales’ State Priority Projects not achieving their expected expenditure, leading to lower water savings than originally envisaged.

New South Wales made significant efforts in agreeing to and commencing the implementation of measures to improve its compliance regime. This followed significant criticisms and adverse findings around past efforts, as reported for New South Wales’ 2016–17 assessment. Also

acknowledged is the establishment of interim measures to protect environmental flows pending the development of permanent measures.

Findings for New South Wales are summarised against the milestones in Table 2 in the order they appear in the NPA. Full findings and details of the assessment are also included in this chapter.

Table 2 Summary of findings for New South Wales

National Partnership commitments	Assessment summary	Finding
6) The state has supported the Commonwealth in bridging the gap.	<ul style="list-style-type: none"> a) Arrangements to enable water trading between New South Wales and the ACT are not yet in place. New South Wales and the ACT have reached an in-principle agreement to develop and implement interstate water trade arrangements, but these may not be in place by June 2019. b) New South Wales did not introduce any restrictions or suspensions on the trading of water access entitlements. c) New South Wales worked cooperatively with the Commonwealth in 2017–18 to deliver approved infrastructure projects under the two programs. The legacy of New South Wales’ previous inaction affected the final yield from its State Priority Projects. d) Applications for water entitlement and allocation trades were processed consistent with the agreed service standards for trade processing times. e) New South Wales entitlements in regulated surface water systems are consistent with the provisions of NWI clauses 28 to 32. 	Milestone partially met.
7) Following publication of the Constraints Management Strategy by the MDBA, confirmation that any actions taken by the state to remove or address constraints are consistent with the measures agreed through the inter-jurisdictional governance procedure for the SDL adjustment mechanism.	New South Wales has progressed development of its constraints measure proposals in the southern Basin. However, it did not provide a business case to support assessment of its constraints measure proposal for the Gwydir River until December 2018 and did not provide its assessment of Victoria’s revised Goulburn constraint measure proposal until February 2019.	Milestone partially met.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	<ul style="list-style-type: none"> a) The characteristics of licenced entitlements held for environmental water use in New South Wales have not been enhanced or diminished relative to like entitlements held and used for other purposes. b) New South Wales has implemented interim measures to protect environmental water from consumptive diversion, and commenced developing and implementing more permanent measures. While substantial work remains to be completed, PPMs implementation was progressed. c) New South Wales provided annual environmental watering priorities, consistent with the Basin Plan, to the 	Milestone partially met.

National Partnership commitments	Assessment summary	Finding
	MDBA for five of the nine surface WRP areas. New South Wales is developing annual environmental watering priorities for the remaining areas.	
	d) New South Wales cooperated with the Commonwealth in a major environmental watering event in the northern Basin during 2017–18, but did not provide the MDBA with the reasons why some other proposed watering events were not in accordance with the Basin annual watering priorities.	
	e) Environmental watering has occurred having regard to the views of local communities and persons materially affected by the management of environmental water.	
	f) New South Wales has made good progress recently in developing LTWPs for surface WRP areas, but these plans remain behind schedule.	

2.2 Bridging the gap

2.2.1 Removal of barriers

New South Wales met this commitment for 2017–18.

The MDBA has previously advised of two issues regarding entitlement trade in New South Wales. These relate to interstate trade between New South Wales and the ACT and trade between New South Wales and Queensland on intersecting streams.

Following an approach by the MDBA to both New South Wales and the ACT in 2015, the ACT made efforts to enable trade between the two jurisdictions but for some time no progress was possible due to a lack of engagement by New South Wales.

In June 2017, ACT and NSW Water Ministers advised the Murray–Darling Basin Ministerial Council they had reached an in-principle agreement to establish interstate entitlement trade between the ACT and New South Wales.

New South Wales advised the department on 26 April 2018 and 17 September 2018 that it did not see a need to put in place trading arrangements by June 2019 because agreement had been reached on the ACT's shared reduction of 4.9 GL, which does not involve trade, and because it considers the ACT Murrumbidgee to be an unregulated system. Trade between unregulated and regulated systems is not required under the Basin Plan.

The MDBA considers that the lack of trading arrangements is inconsistent with the Basin Plan water trading rules. Contrary to New South Wales' position, the MDBA considers the ACT Murrumbidgee to be the start of the regulated system and that trade arrangements need to be enabled, including with Victoria and South Australia.

On 2 October 2018, New South Wales formally requested the ACT to provide information for discussion on the development of a trading framework including on the potential location of trading zones and allowable directions of trade. The ACT responded to this request in November

2018. New South Wales also advised it will implement new trade rules for the ACT by placing an amendment clause in the Water Sharing Plan for the Murrumbidgee Unregulated and Alluvial Water Sources 2012 as part of its review of the NSW water sharing plans within the Murrumbidgee WRP area. At the December 2018 meeting of the Murray–Darling Basin Ministerial Council, both jurisdictions agreed to progress the undertakings made at the June 2017 Ministerial Council meeting to enable two-way interjurisdictional water trading between New South Wales and the ACT.

The department is concerned that entitlement trade between the ACT and NSW Murrumbidgee may not be in place by June 2019 and expects both jurisdictions to make progress in 2018–19. The department will take into account progress made on this issue during 2018–19 for its assessment of ACT and New South Wales efforts to implement the Basin Plan in 2019.

Regarding trade with Queensland on the intersecting streams, New South Wales and Queensland remain of the view that there is insufficient demand to warrant the development of a trading framework. Along with Queensland, New South Wales plans to monitor demand and review the possibility of enabling trade if demand justifies the costs involved.

2.2.2 Restrictions on trade

New South Wales met this commitment for 2017–18.

New South Wales stated that in 2017–18 it actively worked towards achieving consistency with the Basin Plan water trading rules and had not introduced any new restrictions within the last water year (NSW Government 2018a) and the MDBA's advice supports this finding.

2.2.3 Actions to impede Commonwealth water acquisitions

New South Wales partially met this commitment for 2017–18.

The Commonwealth completed several water recovery measures during the assessment period through a strategic purchase of the Tandou property entitlements and as a result of water savings infrastructure programs.

State Priority Projects were designed to be the primary state-run infrastructure programs to deliver water savings to enable the Commonwealth to meet its bridge-the-gap commitments. The NSW Basin Pipes program—and to a lesser extent the Irrigated Farm Modernisation program—have not fully expended the initially agreed \$248 million commitment, leading to lower water savings than originally envisaged. New South Wales worked cooperatively with the Commonwealth in 2017–18 to deliver approved infrastructure projects and demonstrated a more proactive and transparent approach to water recovery, though the legacy of previous inaction has affected final yield. For both programs, on-farm projects of approximately \$132.1 million have been contracted or completed. These projects will result in the transfer of up to 24.3 GL (long-term average annual yield) of water savings to the Commonwealth by June 2019.

Following its non-delivery of the full volume of expected water recovery under existing state priority and other projects, Minister Littleproud wrote to the NSW Government on 9 July 2018 releasing it from further water recovery under the NSW Basin Pipes and Irrigated Farm Modernisation programs. The intent behind this offer was for remaining program funding to be used by the Australian Government for the key Basin Plan initiatives discussed at the Ministerial

Council meeting on 8 June 2018, including the MDBWIP, for gap bridging and for efficiency measures.

The MDBWIP was launched in July 2018 to finalise bridging-the-gap for the SDL and for the 450 GL of efficiency measures required under the Basin Plan with neutral or positive social and economic impacts. The legislated 605 GL adjustment to the SDL requires 62 GL of efficiency measures to be secured by June 2019.

2.2.4 Processing times for Commonwealth trades

New South Wales met this commitment for 2017–18.

New South Wales' Statement of Assurance noted that it had processed applications for water entitlement and allocation trades to which the Commonwealth was a party consistent with the agreed service standards for trade processing times for state approval agencies (NSW Government 2018a).

These findings are supported by monthly data, publicly available from New South Wales' water trade reporting website (WaterNSW 2018).

2.2.5 NWI-consistent entitlements

New South Wales met this commitment for 2017–18.

New South Wales' Statement of Assurance confirms that entitlements in regulated surface water systems are consistent with clauses 28 to 32 of the National Water Initiative, unless otherwise agreed (NSW Government 2018a; see also NWC 2014).

2.3 Implementation of the Constraints Management Strategy

New South Wales partially met this commitment for 2017–18.

The state has worked collaboratively with the MDBA and other Basin states in the Constraints Measures Working Group, including to develop a work plan for constraints measures. This work plan guides how governments can coordinate and integrate the delivery of constraints measures. It was endorsed by ministers on 14 December 2018.

With the exception of the Victorian New Goulburn Constraints proposal, New South Wales has provided assessments of constraints proposals from Victoria and South Australia under the SDL adjustment mechanism assessment process (as agreed under the IGA) in a timely manner. Its assessment of Victoria's revised Goulburn constraints measure proposal was provided to Victoria in February 2019, contributing to delays in progressing this measure.

New South Wales is a proponent for the:

- Hume to Yarrawonga Constraints Measure (with Victoria)
- Yarrawonga to Wakool Constraints Measure
- Murrumbidgee River Constraints Measure
- Lower Darling River as part of the Menindee Lakes project

- Gwydir River as part of the ‘toolkit measures’ in the northern Basin.

The Ministerial Council agreed in June 2017 to consider the Gwydir River constraints proposal through the ‘toolkit measures’ recommended as an outcome of the Northern Basin Review. Although New South Wales has made progress, it did not submit a business case for the Gwydir as required under the relevant funding agreement for the development of constraints business cases until December 2018. The department is assessing this business case.

Constraints measures are highly complex proposals that are integral to successfully implementing the Basin Plan. The department is concerned that delay in developing and approving the package of supply measures (including measures to ease constraints) equivalent to 605 GL in water recovery has increased the risk of the package not being delivered by the legislated deadline of 30 June 2024. The Productivity Commission raises this concern in its 2018 *Murray–Darling Basin Plan: Five-year assessment—Inquiry report* (PC 2018). If this occurs it will require governments to make up the shortfall with further water recovery.

The Australian Senate motion to disallow the instrument for the approval of SDL adjustment mechanism projects contributed to the delay. The department deferred writing to Basin states to update and formalise the Commonwealth’s first stage (pre-construction) funding offer for both constraints and supply measures until June 2018, after the Senate disallowance motion had been defeated.

The department received a stage 1 (pre-construction) funding proposal from NSW on 8 January 2019 to facilitate further work on its Yarrawonga to Wakool, Murrumbidgee River and Lower Darling River constraints measure proposals.

2.4 Cooperation in environmental watering

2.4.1 Characteristics of licensed entitlements

New South Wales met this commitment in 2017–18.

New South Wales indicated that the characteristics of licensed entitlements held for environmental use were not enhanced or diminished relative to like entitlements held and used for any other purposes (NSW Government 2018a).

In May and July 2018 the Water Liaison Working Group discussed a CEWH proposal to trade 50 GL of South Australian entitlement upstream, with a back trade to South Australia over summer and autumn of 2019. This proposal was supported by South Australia and Victoria, with New South Wales unaffected by it.

The department notes that enduring arrangements to facilitate such trades are not yet in place. Similar past proposals have been opposed by Basin states because of concerns about possible impacts on third parties and such concerns may negatively affect their support for future proposals. The MDBA advised in 2017 that proposals of this nature would be included in a review of Schedule D of the Murray–Darling Basin Agreement (relating to trade); however, it subsequently advised they would not be in scope for this review. Instead, the MDBA has advised it will continue working with the Basin states to resolve the issue and will present any proposals to trial revised arrangements to Basin senior officials. The department expects to see the MDBA

and Basin states make tangible progress to develop enduring arrangements for the movement of environmental water during 2018–19.

Amendments to section 324 of the *Water Management Act 2000* (NSW) began on 9 August 2018. The amendments clarify that managing water for environmental purposes could meet the public interest test to invoke temporary restrictions on water extractions. However, the department notes that the circumstances under which these arrangements would apply remains unclear as the Act leaves the application of Section 324 to ministerial discretion.

New South Wales has advised of its intention to include arrangements in the Gwydir, Macquarie and Barwon–Darling water sharing plans to facilitate active management of flows to determine and protect the portion which are to remain instream for environmental purposes. It has indicated that once in place, these arrangements will reduce the need to use section 324(1) for environmental purposes. Public consultation on the arrangements is scheduled for late 2018, but New South Wales has not committed to an implementation date.

2.4.2 Measures implemented to facilitate the use of environmental water

New South Wales partially met this commitment for 2017–18.

New South Wales' Statement of Assurance noted that its PPM implementation plan requires changes to the water sharing plans and procedural manuals for the NSW Murray Lower-Darling and the Murrumbidgee. In its overview of its PPM implementation process and PPM work plan presented to the Basin Officials Committee in August 2018, it outlined the need for changes to its legislative, regulatory and operational framework in addition to the drafting of rules to be included in the NSW Murray and Lower Darling and the Murrumbidgee WRPs.

The MDBA's advice is that it has not yet received specific information from the states on how PPMs will be implemented and that New South Wales has a considerable amount of work ahead to implement PPMs.

The department is concerned there may be delays to the implementation of PPMs in New South Wales given there are substantial risks to the timely delivery of the NSW Murray and Lower-Darling and the Murrumbidgee WRPs. These WRPs are in the preliminary stages of development and the MDBA considers them to be among the plans at risk of not progressing to schedule (MDBA 2018d). This is a concern because PPMs underpin both the SDL settings in the Basin Plan and the Plan's anticipated environmental outcomes.

New South Wales has established Stakeholder Advisory Panels for feedback into its planning process and in December 2018 consulted on PPM implementation arrangements through the public exhibition of intended changes in the water sharing plans and WRPs. The PPM arrangements are developing but remain behind schedule.

The CEWO has a strong interest in ensuring New South Wales' environmental water holdings can be used to best effect and the department notes the need for New South Wales and neighbouring Basin states to continue their effort to implement their PPMs.

For instance, limitations such as NSW environmental water entitlements not being able to be used on Victorian environmental assets (likewise, Victorian environmental water entitlements not being able to be used on NSW environmental assets) has necessitated environmental water for certain watering events being comprised of equal parts Victorian and NSW allocations, with

the potential to delay CEWH watering actions and create additional challenges including from constraints to channel capacity.

New South Wales has advised it is involved in an inter-jurisdictional working group examining the process required to allow for interstate delivery of return flows, with arrangements proposed to be tested as part of a multi-year trial commencing in July 2019.

For the River Murray, the CEWH also advised that multi-site watering trials continue to progress, but do not yet provide for enduring measures (CEWH 2018a). The MDBA advised that efforts have been made to improve consultation and decision-making transparency with environmental water managers in recent years. The MDBA is finalising a review of the trials conducted between 2010–11 and 2016–17, with a report on the trials to be presented to the River Murray Operations Committee in late 2018. In part the outcomes of the trials will inform the implementation of PPMs, but the report is also expected to include options and possible pathways for resolving prioritised environmental watering issues identified through the trials. The trial results are also likely to affect establishment of the PPM Implementation Plan for the River Murray.

The department notes that current arrangements do not yet adequately facilitate the movement of environmental water to meet Basin Plan requirements. The CEWO advised that further work will be needed for it to have confidence in the full implementation of PPMs, and this includes improved arrangements for environmental water accounting. Water resource plans are a key instrument that could be used by the states to provide commitment for ongoing development and improvement of operational arrangements relating to PPM implementation.

At 30 June 2019, arrangements need to be in place to implement PPMs that are secure and enduring while recognising there will need to be an adaptive management process for ongoing improvement of PPMs once implemented. The department is aware that issues such as assumed loss rates for environmental flows remain in contention between environmental water holders, the MDBA and Basin states and that these issues will remain once current arrangements are codified in operating manuals. The MDBA, CEWH and Basin states need to work together to explore and trial arrangements to optimise the use of environmental water at multiple locations, including across state boundaries.

On 3 July 2018, the Northern Basin Review amendment was reinstated into law. The MDBA noted that an inter-jurisdiction Northern Basin Project Group, involving both Queensland and New South Wales, has been established to support implementing ‘toolkit measures’, including the protection of environmental flows, on the basis that funding is available for this purpose (MDBA 2018c).

The department notes changes to the Barwon–Darling Water Sharing Plan were made in June 2018 to help ensure compliance with the long-term average annual extraction limit. These changes are intended to prevent annual take exceeding 300 per cent of entitlement.

2.4.3 Annual environmental watering priorities

New South Wales met this commitment for 2017–18.

New South Wales provided Annual Environmental Water Priorities for the following five regulated surface WRP areas for 2017–18 by the due date of 31 May 2018 (MDBA 2018c):

- Gwydir
- Lachlan
- Macquarie-Castlereagh
- Murray and Lower Darling
- Murrumbidgee.

These priority statements are available on the NSW Office of Environment and Heritage website (OEHS 2019a). The MDBA has reported that these priorities are consistent with the Basin Plan.

As in previous years, New South Wales did not provide annual priorities for the remaining NSW catchments in the Murray–Darling Basin as it does not actively manage environmental water outside of the five regulated catchments. However, in a departure from its previous position, New South Wales has advised that annual watering priorities are now under development for the Namoi, Barwon–Darling, Border Rivers and the intersecting streams and are on track for completion by 2019 (NSW Government 2018a).

The MDBA advised that it has accepted the revised New South Wales position and that annual priorities for the remaining catchments will be required for 2019–20 and beyond, when long-term watering plans are complete (MDBA 2018c).

2.4.4 Management and delivery of environmental water consistent with Basin Plan

New South Wales partially met this commitment for 2017–18.

New South Wales advised there were three environmental watering events required in the NSW Murray, which deviated from the Basin annual watering priorities. While it notified the MDBA of these events, it did not provide the reasons it deviated from the Basin annual watering priorities as required by Section 8.44(1) of the Basin Plan.

The department acknowledges the strong collaboration between New South Wales agencies, the CEWO and MDBA when they undertook the northern connectivity flow event from April to June 2018. This event involved the release of 25 GL of Commonwealth-held environmental water and 7.2 GL of New South Wales-held environmental water from storages on the Gwydir and Border Rivers. It also included the announcement by New South Wales of a temporary water restriction under Section 324(1) of the *Water Management Act* (NSW) to protect the environmental water as it entered the prescribed Barwon–Darling unregulated water source through to Menindee Lakes.

The MDBA and the NSW Natural Resources Access Regulator have reviewed the watering event, and while there are learnings to inform best practice in the future, the review found that effective compliance arrangements were in place to ensure water access licence holders complied with the temporary restrictions (MDBA 2018e). The department considers the protection afforded to this environmental flow by New South Wales is a positive step towards managing compliance in the northern Basin.

In March 2015 New South Wales amended planned environmental water arrangements in the Upper Namoi and Lower Namoi Regulated River Water Sharing Plan on a trial basis to run until 2019. The CEWH has previously expressed concerns that these changes to supplementary access

rules in the Namoi may result in Commonwealth environmental water needing to be substituted for planned environmental water.

The CEWO is represented on the Namoi Supplementary Water Access Rule Trial Project Steering Committee and has advised that consultation with the Steering Committee has improved in 2017–18. New South Wales has advised that the final report for the study was presented to the Namoi Stakeholder Advisory Panel on 1 November 2018. The NSW Department of Industry will then decide on whether to change the Water Sharing Plan from the rules in place at the commencement of the Basin Plan (NSW Government 2018a). The CEWO has also advised that due to a lack of flows during the trial period, it considers the trial will not provide sufficient evidence to assess the environmental impact of changing the supplementary access rule in the Namoi WRP area.

Should New South Wales seek to incorporate the amended arrangements into the WRP put forward for accreditation, the changes will need to be assessed by the MDBA for consistency with the Basin Plan.

In July 2016 New South Wales announced a review of translucent flow releases in a number of catchments in the NSW Murray–Darling Basin, with a review report released in February 2018 (NSW Government 2018b). The review considered there is scope to improve the rules governing translucent flows and recommends that New South Wales consider changes as part of the WRP development process (NSW Government 2018b). Any changes to translucent flows to be incorporated in WRPs will be assessed by the MDBA to ensure they meet the requirements of Section 10.28 of the Basin Plan that there be no net reduction in the protection of planned environmental water.

Since the 2016–17 assessment year there has been extensive community concern regarding the management, delivery and protection of environmental water in New South Wales, particularly in the northern Basin. In response, New South Wales commissioned Mr Ken Matthews to undertake an independent investigation into New South Wales water management and compliance (NSW Government 2017) and the MDBA has undertaken the Murray–Darling Basin Water Compliance Review (MDBA 2017a). These reviews found there was an urgent need to protect environmental water in New South Wales from lawful and unlawful take.

The Murray–Darling Basin Compliance Review, finalised in November 2017, highlighted major problems with water compliance arrangements in New South Wales, noting that ‘water compliance is bedevilled by patchy metering, the challenges of metering unmetered take and the lack of real-time, accurate water accounts’. The review highlighted limited compliance reporting and a low-level of compliance resourcing. Additionally, the *Independent investigation into NSW water management and compliance* by Ken Matthews found that ‘the overall standard of compliance work has been poor’ (NSW Government 2017).

In this respect the department notes the work undertaken during the 2017–18 assessment period by New South Wales to increase protections for environmental water, and to improve transparency and accountability in compliance. In December 2017, New South Wales announced the Water Reform Action Plan, established an independent Natural Resources Access Regulator to manage water compliance and enforcement matters and established the Interagency Working Group (IWG) to provide advice on a package of interim solutions. The IWG presented its interim solutions package in June 2018 (NSW Government 2018c). New South Wales has commenced

implementation of measures proposed under the Water Reform Action Plan and the Interim Solutions package with measures to be implemented progressively. With regard to improved metering, New South Wales has advised that the vast majority of surface and groundwater works taking licenced water will be required to have approved meters installed over the next five years, with the highest risk users to be compliant by 1 December 2019.

The Commonwealth and the Basin states entered into the Murray–Darling Basin Compliance Compact in June 2018 to address compliance and integrity of Basin water management issues identified in recent reviews (MDBA 2018a). The Compact was endorsed by the Council of Australian Governments in December 2018.

The department acknowledges New South Wales' agreement to the Compliance Compact and its willingness to strengthen its compliance regime. The department will consider Basin states' efforts to implement the Compliance Compact in the 2018–19 assessment.

2.4.5 Consultation on environmental watering

New South Wales met this commitment for 2017–18.

New South Wales confirmed it is continuing engagement on environmental watering through its Environmental Watering Advisory Groups (EWAGs) for the five priority catchments. In 2017–18 each of the five EWAGs used a range of knowledge and experience to advise on the use of planned and held environmental water and the development of annual watering plans. Membership of EWAGs includes local landholders, Aboriginal groups and environmental stakeholders. Information about the membership and operation of EWAGs is available on the NSW Office of Environment and Heritage website (OEH 2019b).

New South Wales advised it is continuing to implement the Private Property Wetlands Watering Project, which provides environmental water to wetlands that have been disconnected from natural flood paths. In 2017–18 it reached agreements with some Murrumbidgee landholders for the landholders not to pump from their private wetlands that had been inundated by natural flows. These arrangements resulted in the protection of environmental flows and contributed towards maintaining and improving biodiversity values of the mid-Murrumbidgee reach (NSW Government 2018a).

New South Wales also reported working with Aboriginal communities to deliver water to Indigenous Protected Areas and areas of cultural significance, including through a watering event at Toogimbie Station on the Murrumbidgee River in 2017–18 (NSW Government 2018a). It has also undertaken extensive consultation in the development of its WRPs, with 32 Stakeholder Advisory Panel meetings held in 2017–18.

The CEWO notes that further collaborative work between it and the NSW and Queensland governments to support community engagement, would help ensure that local knowledge is better integrated into planning for environmental watering in the northern Basin.

2.4.6 Long-term environmental watering plans

New South Wales partially met this commitment for 2017–18.

The MDBA advised that New South Wales was given an extension of time to September 2018 to submit its first LTWP. The MDBA has expressed confidence that New South Wales will prepare

high quality long-term watering plans, if the draft plan for the Gwydir River provided to the MDBA in August 2017 is used as a template for other WRP areas (MDBA 2017b).

New South Wales has advised that LTWPs are now being developed in parallel with the development of its WRPs. It released the draft Gwydir LTWP for public consultation on 19 October 2018 along with the draft Gwydir WRP and supporting documents. In February 2019 New South Wales advised that remaining LTWPs are being developed using the Gwydir as a template and that the Gwydir, Macquarie–Castlereagh, Border Rivers and the Lachlan LTWPs have completed Public Exhibition in association with their respective WRPs. New South Wales has also advised that development of the remaining five LTWPs is progressing with public exhibition of draft plans expected in May/June 2019.

The MDBA has advised that New South Wales is behind the agreed schedule for the development of LTWPs and has highlighted risks to their timely finalisation given the slippage in New South Wales' preparation of WRPs. The LTWPs set out environmental watering requirements, including for priority environmental assets.

The MDBA has advised that the need for an integrated Murray LTWP will be revisited in June 2019 once all other LTWPs are due.

3 Assessment for Queensland

3.1 Summary of findings

Queensland made satisfactory progress to implement the Basin Plan in 2017–18. It made progress in removing trade barriers that are not consistent with the Basin Plan and supported Commonwealth measures to acquire water for environmental purposes. It has also cooperated in arrangements for Basin Plan environmental watering.

Queensland has progressed the development of its WRPs in 2017–18. The Warrego–Paroo–Nebine Water Resource Plan was accredited on 15 June 2017. Public consultation on the two remaining WRPs closed on 1 June 2018 and they are scheduled for accreditation by June 2019. The MDBA expects Queensland to meet this legislated timeline for accreditation (MDBA 2018b).

Findings for Queensland are summarised against the milestones in Table 3 in the order they appear in the NPA. Full findings and details of the assessment are also included in this chapter.

Table 3 Summary of findings for Queensland

National Partnership commitments	Assessment summary	Finding
6) The state has supported the Commonwealth in bridging the gap.	a) While arrangements are yet to be finalised, Queensland has taken steps to remove remaining volumetric or other barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules. b) Queensland did not introduce any restrictions or suspensions on the trading of water access entitlements. c) Queensland did not take action to impede Commonwealth measures to acquire water for environmental purposes. d) Applications for water entitlement and allocation trades were processed consistent with the agreed service standards for trade processing times. e) Queensland entitlements in regulated surface water systems are consistent with the provisions of NWI clauses 28 to 32.	Milestone met.
7) Following publication of the Constraints Management Strategy by the MDBA, confirmation that any actions taken by the state to remove or address constraints are consistent with the measures agreed through the inter-jurisdictional governance procedure for the SDL adjustment mechanism.	Not applicable to Queensland.	Not applicable.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	a) The characteristics of licensed entitlements held for environmental water use in Queensland have not been enhanced or diminished relative to like entitlements held and used for other purposes.	Milestone partially met.

National Partnership commitments	Assessment summary	Finding
	<ul style="list-style-type: none"> b) While Queensland partially met this commitment for 2017–18, it has taken steps to facilitate the use of environmental water and fully meet this milestone in the future. c) Queensland has provided annual environmental watering priorities, consistent with the Basin Plan, to the MDBA. d) Queensland applied the Basin Plan's <i>Principles to be applied in environmental watering</i> during 2017–18. e) Environmental watering has occurred with regard to the views of local communities and persons materially affected by the management of environmental water. f) Queensland has submitted a LTWP for the Warrego, Paroo and Nebine WRP area. The remaining plans are due for completion by June 2019. 	

3.2 Bridging the gap

3.2.1 Removal of barriers

Queensland met this commitment for 2017–18.

The MDBA has previously raised a number of matters with Queensland that relate to Milestone 6(a), with the department's previous assessments noting three areas of potential non-compliance:

- interstate trade in the intersecting streams
- conjunctive storages
- relocatable licences.

Queensland provided the MDBA with information in May 2016 and the MDBA responded on 20 July 2018 by discussing a pathway for resolving these issues.

Regarding interstate trade in the intersecting streams, Queensland and New South Wales believe there is little, if any, demand for such trade. For the 2017–18 water year Queensland advised it had not received any applications or interest for this trade. It proposes to monitor demand and only establish interstate trade arrangements when demand justifies the costs involved. It has advised it is formalising a process to monitor, report and respond to enquiries about interstate water trading with New South Wales, building on existing arrangements such as the Intersecting Streams Working Group which has representation from both states.

In July 2018 the MDBA advised Queensland how to ensure conjunctive storage conditions are consistent with Basin Plan water trading rules. There has been some progress on relocatable licences. Queensland has published draft water plans for the Condamine and Balonne and the Border Rivers and Moonie catchments with the consultation period ending in June 2018. The draft water plans propose to convert certain groundwater licences into tradable entitlements.

The department expects Queensland will make further progress in resolving remaining entitlement trade issues during the WRP development process in 2018–19.

3.2.2 Restrictions on trade

Queensland met this commitment for 2017–18.

Queensland indicated it did not implement any new restrictions on the trade of water access entitlements in 2017–18 (Queensland Government 2018) and the MDBA's advice supports this finding.

As noted in previous assessments, the MDBA raised concerns that the Warrego, Paroo, Bulloo and Nebine Resource Operations Plan included a change of location requirement to water access entitlements being temporarily traded to waterholes that may be inconsistent with Basin Plan trading rules. This operating plan limits extractions at the new location to periods when there is a visible flow passing downstream of the waterhole, even though there is no such requirement at the original location.

While Queensland has acknowledged this plan may have inadvertently introduced an inconsistency, it indicated there is unlikely to be a demand for this type of trade in the future. It has also advised it is developing an alternative temporary trade rule that is consistent with the Basin Plan via the Condamine-Balonne and Border Rivers–Moonie water planning process. It reported that the Warrego, Paroo, Bulloo and Nebine Resource Operations Plan would be amended when resources permit or if there is demand for this temporary trade rule.

3.2.3 Actions to impede Commonwealth water acquisitions

Queensland met this commitment for 2017–18.

Queensland has worked collaboratively with the department to acquire both surface and groundwater entitlements throughout 2017–18.

State Priority Projects were designed to be the primary state-run infrastructure programs to deliver water savings to enable the Commonwealth to meet its bridge-the-gap commitments. The Queensland Healthy HeadWaters Water Use Efficiency project has not fully expended the initially agreed \$154.5 million commitment. While further water recovery will be necessary to bridge the gap in the areas covered by the program, Queensland has worked cooperatively with the Commonwealth in 2017–18 to deliver approved infrastructure projects. On-farm projects of approximately \$108 million have been approved, contracted or completed. These projects will result in the transfer of up to 19.6 GL (long-term average annual yield) of water savings to the Commonwealth by June 2019.

In March 2018, the department commissioned an independent assurance review of the State Priority Projects in Queensland and New South Wales (Department of Agriculture and Water Resources 2018). The independent review was conducted by KPMG, which examined up to 25 per cent of projects funded under the program. The KPMG review found that the Queensland Department of Natural Resources, Mines and Energy (DNRME) has developed and implemented appropriate controls, processes and structures over the life of the program to assist in the effective administration of projects. Queensland has also reviewed the program over its life cycle and not found any significant program failures.

As raised in the 2016–17 assessment, allegations were aired in August 2017 that water recovered for the environment through the Healthy HeadWaters Water Use Efficiency project may have been undermined by additional unauthorised take of overland flows by a landholder. Investigations by the DNMRE found the structures that were subject to the allegations were not constructed under the program. An investigation by Queensland police into an allegation of fraudulent use of funds under the program has led to charges being laid against two persons by the Queensland police. The fraud charges do not adversely affect Commonwealth water recovery.

On 9 July 2018, Minister Littleproud wrote to the NSW, Queensland and Victorian governments releasing them from further water recovery obligations under the State Priority Projects, including the Healthy HeadWaters Water Use Efficiency project. The intent is for the Australian Government to use remaining funding under the program for the key Basin Plan initiatives discussed at the Ministerial Council meeting on 8 June 2018, including the MDBWIP, for gap bridging and for efficiency measures.

Queensland cooperated with the MDBWIP, launched in July 2018 to finalise bridging-the-gap for the SDL and for the 450 GL of efficiency measures required under the Basin Plan with neutral or positive social and economic impacts. The legislated 605 GL adjustment to the SDL requires 62 GL of efficiency measures to be secured by June 2019. Queensland has supported all measures under the program, including on-farm water efficiency measures.

Queensland is working with the MDBA, CEWO and the department to develop arrangements to protect environmental water in the Condamine–Balonne catchment, with rules to protect environmental water acquired in the upper and middle Condamine through to the lower Balonne included in the draft Water Plan (Condamine and Balonne) 2019. As noted in the 2016–17 assessment, with a June 2019 deadline to ‘bridge the gap’, there is limited time remaining for the Commonwealth to undertake further water recovery. Progress on this issue is promising; however, the Commonwealth requires sufficient certainty in these arrangements to undertake further water recovery with confidence.

Regarding recovery of groundwater in the Upper Condamine Alluvium, the department noted in the last assessment that amendments made in 2014 to the *Water Act 2000* (Qld) allow the CEWH to apply for a water licence separate from land. The department also noted that this arrangement has been used to successfully acquire licences in the Central Condamine Alluvium, Oakey Creek and Dalrymple Creek groundwater management areas. This arrangement has not yet been tested in areas where there are non-relocatable licences. Through its draft Water Plan, Queensland has also developed a process that would reduce groundwater licence volumes in the Central Condamine Alluvium to the SDL if the water recovery target is not recovered through Commonwealth buyback tenders by 30 June 2019.

3.2.4 Processing times for trades

Queensland has taken steps to address issues that were identified in the 2016–17 assessment and it has met this commitment for 2017–18.

Queensland confirmed that all applications for trade to which the Commonwealth was a party were processed consistent with the agreed service standard (Queensland Government 2018).

3.2.5 NWI-consistent entitlements

Queensland met this commitment for 2017–18.

Queensland's 2017–18 Statement of Assurance confirms that entitlements in regulated surface water systems are consistent with clauses 28 to 32 of the National Water Initiative, unless where otherwise agreed (Queensland Government 2018; see also NWC 2014).

3.3 Implementation of Constraints Management Strategy

This milestone is not applicable to Queensland.

3.4 Cooperation in environmental watering

3.4.1 Characteristics of licensed entitlements

Queensland met this commitment for 2017–18.

Queensland's Statement of Assurance confirmed that the characteristics of licenced entitlements held by the Commonwealth for environmental use have not been enhanced or diminished relative to like entitlements held for other purposes (Queensland Government 2018).

Neither the MDBA nor the CEWH raised concerns with the characteristics of licensed entitlements in Queensland.

3.4.2 Measures implemented to facilitate use of environmental water

Queensland partially met this commitment for 2017–18. The department considers there are steps and activities underway to fully meet this milestone in the future.

Queensland has engaged with the department, the CEWO and MDBA during 2017–18 to ensure protection of Held Environmental Water (HEW) in the Condamine–Balonne.

Queensland advised it has committed to protecting HEW purchased above E.J. Beardmore Dam from legal take within the Lower Balonne Water Management Area. A draft Water Management Protocol was released in April 2018 containing provisions which incorporates this held environmental water left in-stream into the access arrangements for announcements of water harvesting entitlements. This will enable HEW to pass through the Lower Balonne Water Management Area and not be taken by other water entitlement holders. These provisions were included in the draft Water Management Protocol following extensive stakeholder consultation.

Discussions between Queensland and the Commonwealth on these issues will continue in 2018–19 as the draft Water Plan and Water Management Protocol are finalised.

The CEWH noted Queensland has increased its engagement on developing its remaining WRPs. The CEWH has also welcomed the Queensland Government's undertaking to prepare water harvesting guidelines for the Lower Balonne and Border Rivers systems (CEWH 2018a). These guidelines will set out the rules for active management of unregulated flows and provide confidence that the Commonwealth's share of flows is protected from diversion by others.

On 3 July 2018, the Northern Basin Review amendment was reinstated into law. The MDBA noted that an inter-jurisdiction Northern Basin Project Group, involving both Queensland and New South Wales, has been established to support implementing ‘toolkit measures’, including the protection of environmental flows, on the basis that funding is available for ‘toolkit measures’.

3.4.3 Annual environmental watering priorities

Queensland met this commitment for 2017–18.

Queensland submitted its Annual Environmental Watering priorities to the MDBA on 1 June 2018. The MDBA confirmed that Queensland’s annual environmental watering priorities are consistent with the Basin Plan (MDBA 2018c).

3.4.4 Management and delivery of environmental water consistent with Basin Plan

Queensland met this commitment for 2017–18.

Queensland does not have HEW. Neither the MDBA nor the CEWH raised concerns in their assessment comments with the management or delivery of environmental water in Queensland. Queensland’s current statutory water plans include water management arrangements to protect planned environmental water.

In 2017–18 Queensland worked with other Basin jurisdictions on managing and delivering environmental water. For example, in late 2017 it worked with the CEWO to release environmental water in the Dumaresq River (Border Rivers). In April 2018, the Queensland and New South Wales governments worked with the CEWO, as part of a northern connectivity event, to support the environmental health of rivers systems in the Northern Murray–Darling Basin (CEWH 2018b).

As noted in the previous assessment, in 2017–18 there was extensive community concern regarding the management, delivery and protection of environmental water, particularly in Queensland and New South Wales. The Murray–Darling Basin Water Compliance Review, finalised in November 2017, highlighted major problems with water compliance arrangements in Queensland, with water compliance being exacerbated by patchy metering, the challenges of measuring unmetered take and the lack of real-time, accurate water accounts. The review also highlighted issues with compliance reporting and low levels of compliance resourcing (MDBA 2017a). Queensland announced an independent review into non-urban water measurement and compliance in August 2017, which reported in March 2018.

In its 2017–18 Statement of Assurance, Queensland acknowledged the heightened level of interest in water use management and compliance and reported that it is developing the Rural Water Management Program to deliver its response to these reviews (Queensland Government 2018). The program is intended to deliver more transparent water information, stronger metering and a more robust compliance program (DNRME 2019a).

The Commonwealth and the Basin states entered into the *Murray–Darling Basin Compliance Compact* in June 2018 to address compliance and integrity of Basin water management issues identified in recent reviews (MDBA 2018a).

The department acknowledges Queensland's agreement to the Compliance Compact and its willingness to strengthen its compliance regime. The department will consider Basin states' efforts to implement the Compliance Compact in the 2018–19 assessment.

3.4.5 Consultation on environmental watering

Queensland met this commitment for 2017–18.

Queensland indicated that environmental watering in regulated catchments has occurred with regard to the views of local communities and persons materially affected by environmental water management. It also advised that environmental watering in both regulated and unregulated catchments occurs in accordance with the rules contained within Queensland statutory water plans and resource operation plans. In developing these plans, it consults extensively with stakeholder groups including water users, water infrastructure operators, sectoral interest groups, Aboriginal and Torres Strait Islander peoples and other jurisdictions. The CEWO notes that further collaborative work between it and the Queensland and New South Wales governments, to support community engagement, would help ensure that local knowledge is better integrated into planning for environmental watering.

Queensland is developing new statutory water plans for the Condamine and Balonne, and the Border Rivers and Moonie catchments. The draft water plans were released in April 2018 for public consultation and the formal submission period ended in June 2018. The draft water plans include environmental water management arrangements.

3.4.6 Long-term environmental watering plans

Queensland met this commitment for 2017–18.

Schedule A of the NPA requires that 12 months after the MDBA has made the Basin-wide Environmental Watering Strategy, or within another timeframe agreed between the MDBA and Queensland, long-term environmental watering plans for surface WRP areas have been developed consistent with the requirements of the Basin Plan.

Queensland submitted the LTWP for the Warrego, Paroo and Nebine WRP area to the MDBA in February 2016. The report is available on the DNRME website (DNRME 2019b).

Queensland has agreed with the MDBA to finalise the remaining plans by June 2019. In April 2018 draft LTWPs for the Condamine and Balonne catchment and the Border Rivers and Moonie catchments were released as supporting documents to the public consultation process for the draft water plans.

4 Assessment for South Australia

4.1 Summary of findings

South Australia made satisfactory progress to implement the Basin Plan in 2017–18. South Australia has supported Commonwealth measures to acquire water for environmental purposes, worked collaboratively with the MDBA and other Basin states towards implementing the Constraints Management Strategy and cooperated in arrangements for Basin Plan environmental watering.

South Australia continued to make progress in developing water resource plans in 2017–18. The Murray Region Water Resource Plan was submitted to the MDBA for assessment and accreditation in January 2018, with only minor issues being identified. South Australia has also provided the MDBA with a first draft of the Eastern Mount Lofty Ranges Water Resource Plan and the South Australian River Murray Water Resource Plan for review. The MDBA expects South Australia to meet the timeline for accrediting its three WRPs by June 2019 (MDBA 2018b).

Findings for South Australia are summarised against the milestones in Table 4 in the order they appear in the NPA. Full findings and details of the assessment are also included in this chapter.

Table 4 Summary of findings for South Australia

National Partnership commitments	Assessment summary	Finding
6) The state has supported the Commonwealth in bridging the gap.	a) South Australia has removed all identified volumetric or other barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules. b) South Australia did not introduce any restrictions or suspensions on the trading of water access entitlements. c) South Australia did not take any action to impede Commonwealth measures to acquire water for environmental purposes. d) Applications for water entitlement and allocation trades were processed consistent with the agreed service standards for trade processing times. e) South Australian entitlements in regulated surface water systems are consistent with the provisions of NWI clauses 28 to 32.	Milestone met.
7) Following publication of the Constraints Management Strategy by the MDBA, confirmation that any actions taken by the state to remove or address constraints are consistent with the measures agreed through the inter-jurisdictional governance procedure for the SDL adjustment mechanism.	South Australia has supported the implementation of the Constraints Management Strategy.	Milestone met.

National Partnership commitments	Assessment summary	Finding
8) The state has cooperated in arrangements for Basin Plan environmental watering.	<ul style="list-style-type: none"> a) The characteristics of licensed entitlements held for environmental water use in South Australia have not been enhanced or diminished relative to like entitlements held and used for other purposes. b) South Australia has implemented measures to facilitate the use of environmental water; however, these measures need further development to allow environmental watering to be fully effective. c) South Australia provided its annual environmental watering priorities for 2018–19, consistent with the Basin Plan, to the MDBA. d) South Australia consistently applied the Basin Plan's <i>Principles to be applied in environmental watering</i> during 2017–18. e) Environmental watering in regulated catchments has occurred with regard to the views of local communities and persons materially affected by the management of environmental water. f) South Australia has submitted LTWPs for the River Murray, Eastern Mount Lofty Ranges and South Australian Murray Region. 	Milestone met.

4.2 Bridging the gap

4.2.1 Removal of barriers

South Australia has met this commitment for 2017–18.

South Australia stated that water trade within a regulated system, between regulated systems or within an unregulated system is free of any restriction on changing the location at which water can be taken, and is not subject to any volumetric limit, except for defined allowable restrictions (SA Government 2017). South Australia advised this status has not changed since 2016–17 (SA Government 2018a).

4.2.2 Restrictions on trade

South Australia has met this commitment for 2017–18.

The SA Government advised it did not introduce any new restrictions on trade (SA Government 2018a) and the MDBA's advice supports this finding.

4.2.3 Actions to impede Commonwealth water acquisitions

South Australia has met this commitment for 2017–18.

The department has not identified any instances in which South Australia acted to impede Commonwealth measures to acquire water for environmental purposes during 2017–18.

South Australia has actively and cooperatively participated in water recovery programs, to 'bridge the gap' between baseline diversions and the SDL identified in the Basin Plan, such as the South Australian River Murray Sustainability program (SA Government 2018a).

South Australia cooperated with the MDBWIP, launched in July 2018 to finalise bridging-the-gap for the SDL and for the 450 GL of efficiency measures required under the Basin Plan with neutral or positive social and economic impacts. The legislated 605 GL adjustment to the SDL requires 62 GL of efficiency measures to be secured by June 2019. South Australia has supported all measures implemented under the program, including on-farm water efficiency measures.

4.2.4 Processing times for trades

South Australia has met this commitment for 2017–18.

It met the agreed processing times for each water entitlement and allocation trade to which the Commonwealth was a party during the reporting period (SA Government 2018a). This finding is supported by data publicly available from South Australia's water trade reporting website (SA Government 2018b).

4.2.5 NWI-consistent entitlements

South Australia has met this commitment for 2017–18.

Entitlements in regulated surface water systems are consistent with clauses 28 to 32 of the National Water Initiative, unless where otherwise agreed (SA Government 2018a; see also NWC 2014).

4.3 Implementation of Constraints Management Strategy

South Australia has met this commitment for 2017–18.

South Australia has worked collaboratively with the MDBA and other Basin states in the Constraints Measures Working Group including to develop a work plan for constraints measures. This work plan will guide how governments can coordinate and integrate the delivery of constraints measures and will be delivered to ministers in December 2018.

South Australia has assessed constraints measure proposals from Victoria and New South Wales within agreed timeframes. South Australia is a proponent for the South Australian Murray Constraints Measure.

Constraint measures are highly complex proposals that are integral to successfully implementing the Basin Plan. The department is concerned that delay in developing and approving the package of supply measures (including measures to ease constraints) equivalent to 605 GL in water recovery has increased the risk of the package not being delivered by the legislated deadline of 30 June 2024. If this occurs it will require governments to make up the shortfall with further water recovery.

The motion in the Australian Senate to disallow the instrument for the approval of SDL adjustment mechanism projects contributed to the delay. The department deferred writing to Basin states to update and formalise the Commonwealth's first stage (pre-construction) funding offer for both constraints and supply measures until June 2018, after the Senate motion had been defeated.

The Lower River Murray constraints as a supply measure proposal has completed the three-phase assessment process and is confirmed. Commonwealth first stage funding is available for this proposal to conduct stakeholder engagement, prepare detailed designs and refine cost estimates. South Australia submitted a proposal in September 2018 to take this project forward and it is being assessed against Commonwealth funding criteria.

4.4 Cooperation in environmental watering

4.4.1 Characteristics of licensed entitlements

South Australia has met this commitment for 2017–18.

South Australia indicated that the characteristics of licensed entitlements held for environmental use were not enhanced or diminished relative to like entitlements held and used for other purposes (SA Government 2018a).

In May and July 2018 the Water Liaison Working Group discussed a CEWH proposal to trade 50 GL of South Australian entitlement upstream, with a back trade to South Australia over summer and autumn 2019. This proposal was supported by South Australia and Victoria, the two states affected by the proposal. Measures were discussed and agreed to mitigate any potential impacts on state water shares that may result from this trial trade.

The department notes that enduring arrangements to facilitate such trades are not yet in place. Similar past proposals have been opposed by Basin states because of concerns about possible impacts on third parties and such concerns may negatively affect their support for future proposals. The MDBA advised in 2017 that proposals of this nature would be included in a review of Schedule D of the Murray–Darling Basin Agreement (relating to trade); however, it subsequently advised that they would not be in scope for this review. Instead, the MDBA has advised it will continue working with the Basin states to resolve the issue and will present any proposals to trial revised arrangements to Basin senior officials. The department expects to see the MDBA and Basin states make tangible progress to develop enduring arrangements for the movement of environmental water during 2018–19.

4.4.2 Measures implemented to facilitate use of environmental water

South Australia has met this commitment for 2017–18.

South Australia advised it has arrangements in place through the River Murray Water Allocation Plan to protect environmental water in-stream from non-environmental uses, including return flows from upstream environmental watering actions. These arrangements have been included in the draft South Australian River Murray Water Resource Plan submitted to the MDBA.

The CEWH noted the CEWO is continuing to work with South Australia to enable PPMs to be implemented between South Australian WRP areas, in particular that PPM implementation will ensure that Commonwealth-held environmental water is protected as it flows between the South Australian River Murray and the Murray Region WRP areas. While it has welcomed engagement on strengthening water accounting, further work will be needed for the CEWO to have confidence that PPMs have been adequately implemented. South Australia reported ‘on-track status’ to the Basin Officials Committee meeting in August 2018 although the MDBA has not received specific information from states on how PPMs will be implemented.

The CEWH also advised that multi-site watering trials continue to progress, but do not yet provide for enduring measures (CEWH 2018a). The MDBA advised that efforts have been made to improve consultation and decision-making transparency with environmental water managers in recent years. The MDBA is finalising a review of the trials, which were conducted between 2010–11 and 2016–17, with a report on the trials to be presented to the River Murray Operations Committee in late 2018. In part the outcomes of the trials will inform the implementation of the PPMs but the report is also expected to include options and possible pathways for resolving prioritised environmental watering issues identified through the trials.

The department notes that current arrangements do not adequately facilitate the movement of environmental water to meet Basin Plan requirements.

The MDBA, CEWH and Basin states need to work together to explore and trial new arrangements to optimise the use of environmental water at multiple locations, including across state boundaries. There will need to be an adaptive management process for ongoing improvement of PPMs once these are in place.

4.4.3 Annual environmental watering priorities

South Australia has met this commitment for 2017–18.

South Australia confirmed the MDBA was provided with annual environmental watering priorities for each of the three South Australian Murray–Darling Basin WRP areas by 31 May 2018 (SA Government 2018a). The MDBA has confirmed South Australia’s annual environmental watering priorities for 2018–19 are consistent with the Basin Plan (MDBA 2018c).

The 2018–19 annual watering priorities for the South Australian River Murray, Eastern Mount Lofty Ranges and South Australian Murray Region are available on the Department for Environment and Water (DEW) website (DEW 2019).

4.4.4 Management of environmental water consistent with Basin Plan

South Australia has met this commitment for 2017–18.

South Australia confirmed that it managed the delivery of planned and held environmental water consistent with the Basin Plan (SA Government 2018a). South Australia also advised it is implementing the Prerequisite Policy Measures, including through the preparation of a policy and procedure for managing return flows and developing water accounting arrangements that reflect the delivery and use of held environmental water.

Coordination at the state and Basin level has allowed environmental watering outcomes to be improved. For example, the Goulburn environmental water winter pulse that was timed to support outcomes in the Goulburn River but also enable South Australia to take advantage of the water to encourage and facilitate lamprey movement through the barrages and move upstream. Similar cooperation has gone into developing a River Murray channel watering proposal, describing environmental requirements along the main stem of the Murray. This proposal will inform and support coordinated River Murray and tributary environmental water releases (SA Government 2018a).

The MDBA indicated it was not aware of any environmental watering in South Australia which was not in accordance with the *Principles to be applied to environmental watering* (MDBA 2018c).

The Commonwealth and the Basin states entered into the *Murray–Darling Basin Compliance Compact* in June 2018 to address compliance and integrity of Basin water management issues identified in recent reviews (MDBA 2018a). While the Murray–Darling Basin Compliance Review (MDBA 2017a) indicated South Australia already has a comprehensive compliance framework in place, the Compliance Compact includes a number of actions for South Australia to enhance its compliance regime.

The department acknowledges South Australia's agreement to the Compliance Compact and its willingness to strengthen its compliance regime. The department will consider the Basin states' efforts to implement the Compliance Compact in the 2018–19 assessments.

4.4.5 Consultation on environmental watering

South Australia has met this commitment for 2017–18.

South Australia reported regular consultation during 2017–18 with a wide range of local communities and landholders who may be affected by environmental watering actions (SA Government 2018a).

The 2017–18 Annual Environmental Watering Plan for the River Murray lists the organisations consulted in preparing the plan. The plan is available on the DEW website (DEW 2019).

South Australia provided two case studies to illustrate the success of collaborative effort during the year, on delivering ecological outcomes in the Lower Lakes and Coorong and the Katarapko Floodplain Project.

Lower Lakes and Coorong

In October 2017, at a joint meeting of community and scientific advisory bodies, local fisherman reported that female black bream were ready to spawn. This species is considered commercially, recreationally and culturally important, with populations in the Coorong in severe decline since the Millennium Drought. The meeting attendees representing the local community, traditional owners, scientists, river operators and the CEWH agreed the species was a high priority for environmental water management. Barrage operations to create appropriate flow and salinity conditions to support black bream recruitment were determined and the CEWH provided environmental water for the event. The water release was carefully managed and monitored to achieve optimal salinity gradients conducive to successful breeding. Subsequent monitoring by the South Australian Research and Development Institute Aquatic Sciences indicated a successful black bream breeding event occurred resulting from the action taken in the spring and summer of 2017 (SA Government 2018a).

Katarapko Floodplain Project

This project is part of the South Australian Riverland Floodplains Integrated Infrastructure Program, which aims to improve the watering and management of some major River Murray floodplains in South Australia. During 2017–18 workshops, public fairs and site tours were undertaken to raise awareness of and seek community input on the environmental works at

Katarapko. Local community groups including the Katarapko Community Advisory Group and the First Peoples of the River Murray and Mallee region help ensure community interests and local knowledge are considered in managing the floodplain (SA Government 2018a).

4.4.6 Long-term environmental watering

South Australia has met this commitment for 2017–18.

Schedule A of the NPA requires that 12 months after the MDBA has made the Basin-wide Environmental Watering Strategy, or within another timeframe agreed between the MDBA and South Australia, long-term environmental water plans for surface WRP areas be developed consistent with the requirements of the Basin Plan.

The LTWP for the South Australian River Murray Water Resource Plan Area was provided to the MDBA and published in November 2015. The LTWP for the Eastern Mount Lofty Ranges was provided to the MDBA in July 2017, and the South Australian Murray Region in December 2017. The MDBA are in ongoing discussions with South Australia regarding identification of planned environmental water in the South Australian River Murray LTWP to align with the River Murray and Murray Region WRPs.

The River Murray, the South Australian Murray Region and the Eastern Mount Lofty Ranges LTWPs are publicly available on the Department for Environment and Water website (DEW 2019).

The MDBA has advised that the need for an integrated Murray LTWP will be revisited in June 2019 once all other LTWPs are due.

5 Assessment for Victoria

5.1 Summary of findings

Victoria made satisfactory progress to implement the Basin Plan in 2017–18 noting that some milestones are assessed as partially met.

Victoria worked collaboratively with the MDBA and other Basin states on a number of issues including the development of WRPs, although progress is still required on some other key Basin Plan implementation issues as identified in this assessment.

In December 2018 the MDBA noted risks to the WRPs progressing to schedule because of the tight timeframes allowing no room for slippage (MDBA 2018d). The department notes that Victoria submitted its revised Wimmera–Mallee WRP to the MDBA for accreditation in February 2019 and Victoria has advised that, subject to timely feedback from the MDBA, it will meet the agreed timeline for submission of Victoria's North and Murray WRP by 30 April 2019.

The department expressed concern in the 2016–17 assessment that Victoria's decision to review the Victorian Farm Modernisation Project (VFMP) before proceeding with Tranche 3 may impede Commonwealth gap-bridging water recovery efforts in 2017–18. The department notes that, owing to Victoria suspending the program in 2017 before the full budget was expended, in July 2018 the minister wrote releasing Victoria from its obligation to deliver the remaining water recovery target. He advised Victoria that the Australian Government would use remaining program funds for key Basin Plan initiatives discussed at the Murray–Darling Basin Ministerial Council meeting held in June 2018.

The department also notes Victoria's withdrawal of the original Goulburn constraints measure from notification as a supply measure, on 28 June 2017, without a replacement supply measure. Victoria submitted a revised Goulburn Constraints measure business case in September 2017 but has not yet responded formally to Commonwealth or South Australian concerns.

Findings for Victoria are summarised against the milestones in Table 5 in the order they appear in the NPA. Full findings and details of the assessment are also included in this chapter.

Table 5 Summary of findings for Victoria

National Partnership commitments	Assessment summary	Finding
6) The state has supported the Commonwealth in bridging the gap.	a) Victoria has removed barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules. b) Victoria did not introduce any restrictions or suspensions on the trading of water access entitlements. c) Victoria supported Commonwealth measures to acquire water for environmental purposes through the Sunraysia Modernisation and the Goulburn–Murray Water Connections projects. Owing to Victoria suspending the VFMP in 2017 before the full budget was expended, Minister Littleproud	Milestone partially met.

National Partnership commitments	Assessment summary	Finding
	<p>wrote to the Victorian Government on 9 July 2018 releasing it from further water recovery under the State Priority Projects.</p> <p>d) Applications for water entitlement and allocation trades were processed consistent with the agreed service standards for trade processing times.</p> <p>e) Victorian entitlements in regulated surface water systems are largely consistent with the provisions of NWI clauses 28 to 32, with the exceptions of Coliban and Wimmera.</p>	
7) Following publication of the Constraints Management Strategy by the MDBA, confirmation that any actions taken by the state to remove or address constraints are consistent with the measures agreed through the inter-jurisdictional governance procedure for the SDL adjustment mechanism.	Victoria has supported developing and implementing the Constraints Management Strategy through the Constraints Measures Working Group. However, the department notes the withdrawal of the original Goulburn Constraints as a Supply Measure, without a replacement measure, and delays to the new Goulburn Constraints proposal. Victoria has yet to formally respond to Commonwealth concerns about the revised proposal.	Milestone partially met.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	<p>a) The characteristics of licensed entitlements held for environmental water use in Victoria have not been enhanced or diminished relative to like entitlements held and used for other purposes.</p> <p>b) Victoria has implemented measures to facilitate the use of environmental water, however these measures need further development to allow environmental watering to be fully effective.</p> <p>c) Victoria has provided annual environmental watering priorities, consistent with the Basin Plan, to the MDBA.</p> <p>d) Victoria consistently applied the Basin Plan's Principles to be applied in environmental watering to environmental water received from the CEWH, The Living Murray Initiative and Victorian holdings during 2017–18.</p> <p>e) Environmental watering in regulated catchments has occurred with regard to the views of local communities and persons materially affected by the management of environmental water.</p> <p>f) Victoria has submitted LTWPs for Northern Victoria, the Victorian Murray and Wimmera–Mallee.</p>	Milestone met.

5.2 Bridging the gap

5.2.1 Removal of barriers

Victoria met this commitment in 2017–18.

As noted in the 2016–17 assessment, the Basin Plan water trading rules came into effect on 1 July 2014. The MDBA has previously raised a number of matters with Victoria that relate to Milestone 6(a), including in correspondence of 25 June 2015 and 18 December 2015. These include intrastate tagging arrangements and inter-valley trade limits that may be inconsistent with the Basin Plan water trading rules.

Victoria stated that it is continuing to work with the MDBA regarding the movement of water under tagged trade arrangements under section 12.23 of the Basin Plan (Victorian Government 2018a). The MDBA advised that Victoria has amended its policy for intrastate tagging arrangements and is currently discussing these amendments and consistency with the Basin Plan water trading rules (MDBA 2018c). The MDBA also advised it is continuing to discuss accounting for trade in inter-valley transfers.

5.2.2 Restrictions on trade

Victoria met this commitment in 2017–18.

Victoria indicated it did not introduce any restrictions or suspensions on the trade of water access entitlements during the assessment period (Victorian Government 2018a) and the MDBA's advice supports this finding.

5.2.3 Actions to impede Commonwealth water acquisitions

Victoria partially met this commitment in 2017–18.

The Commonwealth did not seek to acquire water through the purchase of entitlements in Victoria in 2017–18, with infrastructure programs being the source of all water recovery.

Victoria supported Commonwealth measures to acquire water for environmental purposes through the Sunraysia Modernisation and Goulburn-Murray Water Connections Stage 2 (GMWC) projects.

The department expressed concern in the 2016–17 assessment that Victoria's decision to review the VFMP before proceeding with Tranche 3 may impede Commonwealth gap-bridging water recovery efforts in 2017–18.

Victoria released the *Victorian Farm Modernisation Project: Options Review* on 9 August 2018, which ruled out further on-farm water recovery (Victorian Government 2018b).

Following Victoria's non-delivery of the full volume of contracted water recovery under existing state priority and other projects, Minister Littleproud wrote to the Victorian government on 9 July 2018 releasing it from further water recovery under the State Priority Projects, including the VFMP. The intent behind this was for the Australian Government to use remaining funding under the program for the key Basin Plan initiatives discussed at the Murray–Darling Basin Ministerial Council meeting on 8 June 2018, including the MDBWIP.

The MDBWIP was launched in July 2018 to finalise bridging the gap for the SDL and for the 450 GL of efficiency measures required under the Basin Plan with neutral or positive social and economic impacts. The legislated 605 GL adjustment to the SDL requires 62 GL of efficiency measures to be secured by June 2019.

Victoria has announced a small scale on-farm program that does not include water recovery. This program reduces the opportunity for water recovery in Victoria for the purpose of implementing the Basin Plan.

In the future, if Victoria launches a wide-scale on-farm program that does not include water recovery, this would further reduce the prospect of water recovery for the purpose of the Basin Plan by reducing the demand for on-farm modernisation. This would be inconsistent with the intent and spirit of the agreement reached at the December 2018 Ministerial Council on the path forward on Efficiency Measures water recovery.

5.2.4 Processing times for Commonwealth trades

Victoria met this commitment in 2017–18.

Victoria's Statement of Assurance noted that it processed applications for water entitlement and allocation trades to which the Commonwealth was a party, meeting the agreed service standards for trade processing times (Victorian Government 2018a). The Victorian Water Registry's annual report, published in December 2018, confirms this finding.

5.2.5 NWI-consistent entitlements

Victoria met this commitment in 2017–18.

Victoria advised there has been no change since 2016–17. The MDBA has previously reported it has no material concerns as Victorian entitlements in regulated surface water systems are largely consistent with the provisions of clauses 28 to 32 of the National Water Initiative (MDBA 2017b, see also NWC 2014).

Entitlements in the Coliban system are held by individuals and companies in the form of take-and-use licences under section 51 of the *Water Act 1989* (Vic). The licences are tradable. There is no current plan to unbundle entitlements due to the small volume of existing licences, the isolated nature of the system and the possibility of further significant reconfiguration work (Victorian Government 2018a).

The Wimmera system mainly supplies small customers of Grampians Wimmera Mallee Water, which holds the primary rights on behalf of its customers (Victorian Government 2018a).

5.3 Implementation of the Constraints Management Strategy

Victoria partially met this commitment for 2017–18.

Victoria has worked collaboratively with the MDBA and other Basin states in the Constraints Measures Working Group including to develop a work plan for constraints measures. This work plan guides how governments can coordinate and integrate the delivery of constraints measures and was endorsed by Basin state ministers on 14 December 2018.

Victoria also assessed proposals from South Australia and New South Wales within agreed timeframes. However, the business case for the Goulburn constraints measure has not progressed through the supply and constraint measures assessment process.

Victoria is a proponent for the:

- Hume to Yarrawonga Constraints Measure (with New South Wales)
- New Goulburn Constraints Measure.

Victoria is consulted by New South Wales on works and measures in the Victorian Murray for the:

- Yarrawonga to Wakool Constraints Measure.

The original Goulburn business case was withdrawn from notification as a supply measure on 28 June 2017 without a replacement supply measure. Victoria submitted the New Goulburn Constraint business case in September 2017 and it remains in assessment Phase 2. The Commonwealth assessed the proposal as having unambitious aims and lacking a compelling case for investment of taxpayer monies. Victoria has not formally responded to Commonwealth or South Australian concerns about the proposal since late 2017. Victoria advised the department it had been waiting for New South Wales to provide its comments before responding. New South Wales comments were provided to Victoria in February 2019.

Constraint measures are highly complex proposals that are integral to successfully implementing the Basin Plan. The department is concerned that delay in developing and approving the package of supply measures (including measures to ease constraints) equivalent to 605 GL in water recovery has increased the risk of the package not being delivered by the legislated deadline of 30 June 2024. The Productivity Commission raised this concern in its 2018 *Murray–Darling Basin Plan: Five-year assessment—Inquiry report* (PC 2018). If this occurs it will require governments to make up the shortfall with further water recovery.

The Australian Senate motion to disallow the instrument for the approval of SDL adjustment mechanism projects contributed to the delay. The department deferred writing to Basin states to update and formalise the Commonwealth's first stage (pre-construction) funding offer for both constraints and supply measures until June 2018, after the Senate disallowance motion had been defeated.

The Hume to Yarrawonga constraints as supply measure proposal has completed the three-phase assessment process and been confirmed. Commonwealth first-stage funding is available for this proposal to conduct stakeholder engagement, prepare detailed designs and refine cost estimates. Victoria and New South Wales are the joint proponents of the constraint measure project. Victoria and New South Wales are working together to draft a funding proposal to take the project forward.

5.4 Cooperation in environmental watering

5.4.1 Characteristics of licensed entitlements

Victoria met this commitment in 2017–18.

Victoria indicated that the characteristics of licensed entitlements held for environmental use were not enhanced or diminished relative to like entitlements held and used for other purposes (Victorian Government 2018a).

Victoria has been undertaking a Review of Environmental Water Charges and in August 2017 the Department of Environment, Land, Water and Planning (DELWP) released the Environmental Water Charges Information Paper, which included discussion of national and Victorian pricing principles (DELWP 2017). The information paper did not include reference to the IGA, but noted that any changes to current arrangements in Northern Victoria would be subject to the requirements of the Commonwealth *Water Act 2007*.

The information paper was provided to the Victorian Parliament's Environment, Natural Resources and Regional Development Committee inquiry into the management, governance and use of environmental water, which included in its terms of reference 'an assessment of fees and charges applied to environmental water and whether these differ from those imposed on other water users'. The inquiry, which reported in June 2018, found that charges for environmental water holders differ across the state and are often not transparent. It also found that 'in some cases, environmental water holders pay more than irrigators in the same river system and in some cases they pay less'. It also found that the Victorian Government's work to develop a policy framework for environmental water charges is a step in the right direction.

Victoria has advised that charges for environmental water services vary between the different types of entitlements held by environmental water holders and between water corporations.

Victoria is also undertaking the Delivery Share Review with a *Preliminary Findings Report* (DELWP 2018) released in July 2018. The report includes an option for further investigation to increase the contribution of environmental water use to district operations and maintenance costs in the Grampians Wimmera Mallee (GWM) and Lower Murray Water (LMW) irrigation districts. The review found that future arrangements for environmental water charges are being considered through the Review of Environmental Water Charges and this issue will not be considered further through the Delivery Share Review.

In September 2017 GWMWater submitted its 2018–2023 Water Price Submission (GWMWater 2018) to the Victorian Essential Services Commission (ESC), which included a proposal to increase charges for environmental water holders by 19 per cent over a two-year period from 2018–19. This proposal was rejected by the ESC which considered it was not justified, partly on the grounds that GWMWater linked the CEWH charge to environmental water, not the irrigation entitlement that the Commonwealth had purchased.

The department expects future pricing to be in accordance with the IGA, under which Basin states agreed that the licenced entitlements held for environmental use 'will be subject to no less favourable conditions, including with respect to fees and charges ... than like entitlements held for other purposes'.

In May and July 2018 the Water Liaison Working Group discussed a CEWH proposal to trade 50 GL of South Australian entitlement upstream, with a back trade to South Australia over summer and autumn 2018–19. This proposal was supported by South Australia and Victoria, the two states affected by the proposal, on the basis that mitigating strategies ensure no impacts on third parties.

The department notes that enduring arrangements to facilitate such trades are not yet in place. Similar past proposals have been opposed by Basin states due to concerns about possible impacts on third parties and such concerns may negatively affect their support for future proposals. The MDBA advised in 2017 that proposals of this nature would be included in a

review of Schedule D of the Murray–Darling Basin Agreement (relating to trade); however, it subsequently advised that they would not be in scope for this review. Instead, the MDBA has advised it will continue working with the Basin states to resolve the issue and will present any proposals to trial revised arrangements to Basin senior officials. The department expects to see the MDBA and Basin states make tangible progress to develop enduring arrangements for the movement of environmental water during 2018–19.

5.4.2 Measures implemented to facilitate the use of environmental water

Victoria met this commitment in 2017–18.

Victoria's Statement of Assurance noted that return flow provisions are in place in Victoria, enabling environmental water to be shepherded through the system to meet downstream environmental demands in Victoria and into South Australia (Victorian Government 2018a). The Commonwealth acknowledges the examples provided in the Statement of Assurance.

Victoria has also advised that the legislative, regulatory and policy provisions to support PPMs are in place and are implemented by Victoria through detailed operating arrangements. The MDBA advised it is aware of arrangements to implement PPMs in Victoria, noting it has not yet received specific operating arrangement information. While not yet assessed by the MDBA, Victoria has arrangements within bulk entitlements that allow for the use of return flows at downstream sites, and these arrangements have been used in Victoria for environmental watering events. To date, these arrangements have been operationalised via agreement between environmental water holders and river operators for individual watering events and the arrangements do not yet represent an enduring operational framework.

The CEWO has a strong interest in ensuring Victoria's environmental water holdings can be used to best effect and the department notes the need for Victoria and neighbouring Basin states to continue their effort to implement their PPMs. Victoria's progress report to the Basin Officials Committee in August 2018 indicated there are four PPM Implementation Actions remaining to be completed by June 2019.

The department notes that limitations such as Victorian environmental water entitlements not being able to be used on NSW environmental assets (and likewise NSW environmental water entitlements not being able to be used on Victorian environmental assets) has necessitated environmental water for certain watering events being comprised of equal parts Victorian and New South Wales allocations, with the potential to delay CEWH watering actions and create additional challenges including from constraints to channel capacity.

One of Victoria's actions under its PPM Implementation Plan, to investigate enabling use of return flows at NSW sites, may partially address this issue. Victoria advised it prepared a paper for discussion at the combined Trade Working Group/Water Liaison Working Group workshop held in September 2018 with the proposal supported by workshop participants.

In order to provide transparency and endurance of PPM delivery arrangements, Victoria had advised it intended to document these in the Northern Victorian Water Resource Plan. However, the timelines for WRP and PPM assessment did not align and instead, Victoria developed a report, an *Overview of PPM Implementation in Victoria*, and submitted this to the MDBA for assessment in March 2019.

For the River Murray, the CEWH also advised that multi-site watering trials continue to progress, but do not yet provide for enduring measures (CEWH 2018a). The MDBA advised that efforts have been made to improve consultation and decision-making transparency with environmental water managers in recent years. The MDBA is finalising a review of the trials conducted between 2010–11 and 2016–17, with a report on the trials to be presented to the River Murray Operations Committee in late 2018. In part the outcomes of the trials will inform the implementation of PPMs but the report is also expected to include options and possible pathways for resolving prioritised environmental watering issues identified through the trials. The trial results are also likely to affect establishment of the PPM Implementation Plan for the River Murray.

The department notes that current arrangements do not yet adequately facilitate the movement of environmental water to meet Basin Plan requirements and the CEWO advised that further work will be needed for it to have confidence in the full implementation of PPMs, and this includes improved arrangements for environmental water accounting. WRPs are a key instrument that could be used by the states to provide commitment for ongoing development and improvement of operational arrangements relating to PPM implementation.

At 30 June 2019 arrangements need to be in place to implement PPMs that are secure and enduring while recognising there will need to be an adaptive management process for ongoing improvement of PPMs once implemented. The department is aware that issues such as assumed loss rates for environmental flows remain in contention between environmental water holders, the MDBA and Basin states and that these issues will remain once current arrangements are codified in operating manuals. The MDBA, CEWH and Basin states need to work together to explore and trial arrangements to optimise the use of environmental water at multiple locations, including across state boundaries.

5.4.3 Annual environmental watering priorities

Victoria met this commitment for 2017–18.

Victoria confirmed the MDBA was provided with annual environmental watering priorities by the Victorian Environmental Water Holder (VEWH) in May 2018 (Victorian Government 2018a). The MDBA advised that the Victorian annual priorities were delivered on time and were consistent with the Basin Plan. Victoria's Statement of Assurance details the process for compiling the state environmental priorities, through initial proposals from waterway managers with input from local stakeholders and then collation by the VEWH prior to submission to the MDBA.

Also, the Victorian Government presented environmental watering proposals for Victorian Icon and The Living Murray sites through the Southern Connected Basin Environmental Watering Committee on 16 May 2018.

5.4.4 Management and delivery of environmental water consistent with Basin Plan

Victoria met this commitment for 2017–18.

Victoria indicated that the management and delivery of planned and held environmental water is consistent with the Basin Plan (Victorian Government 2018a).

Held environmental water is managed by the VEWH in collaboration with Commonwealth agencies, such as the CEWH. Publicly available information from the VEWH and MDBA websites confirm that environmental watering in 2017–18 was broadly consistent with the Victorian Seasonal Watering Plan and with the Basin Plan’s Principles to be applied in environmental watering.

The Commonwealth and the Basin states entered into the Murray–Darling Basin Compliance Compact in June 2018 to address compliance and integrity of Basin water management issues identified in recent reviews (MDBA 2018a). The Compact was endorsed by the Council of Australian Governments in December 2018. While the Murray–Darling Basin Water Compliance Review (MDBA 2017a) indicated Victoria already has a comprehensive compliance framework in place, the Compliance Compact includes a number of actions for Victoria to enhance its compliance regime.

The department acknowledges Victoria’s agreement to the Compliance Compact and its willingness to strengthen its compliance regime. The department will consider Basin states’ efforts to implement the Compliance Compact in the 2018–19 assessment.

5.4.5 Consultation on environmental watering

Victoria met this commitment in 2017–18.

The Victorian Statement of Assurance advises that input and feedback from stakeholders and the community was used to inform the development of annual environmental watering priorities by Victoria’s catchment management authorities (CMAs) during the preparation of their seasonal watering proposals. These proposals formed the basis of the VEWH’s seasonal watering plan, which set the scope of potential environmental watering across Victoria for the water year (VEWH 2018). The seasonal watering proposals are lodged with the VEWH and the MDBA and are published documents.

Victoria stated that the CMAs have well established local stakeholder networks that provide valuable regional and community input for developing annual environmental watering priorities (Victorian Government 2018a). The published seasonal watering proposals provide tables of formal consultation with community and advisory groups, including recreational users, Traditional Owners and environmental interest parties as well as those materially affected, such as landholders and irrigators.

One such example in the Statement of Assurance cites advice and input from Traditional Owners gained through engagement activities by Mallee CMA. The advice led to the adoption of an altered inundation delivery for the next year’s seasonal water plan and also to a plan to continue the facilitation of Cultural Water development by the CMA.

5.4.6 Long-term environmental watering plans

Victoria met this commitment in 2017–18.

Victoria’s LTWPs for Northern Victoria, the Victorian Murray and the Wimmera–Mallee were completed and submitted to the MDBA in December 2015 they are available on DELWP’s website (DELWP 2019).

While the MDBA had previously advised there is a difference of opinion between it and Victoria about the quality of the content in Victoria's LTWPs, the MDBA has since reported that Victoria is working to ensure the plans are consistent with the Basin Plan as part of the upcoming review of the LTWPs (MDBA 2018c). The CEWO has advised that it is seeking to be consulted as a part of this review.

Victoria indicated it has drafted a monitoring and evaluation plan to ensure that state-wide monitoring programs for rivers (VEFMAP) and wetlands (WETMAP) adequately cover LTWP targets (Victorian Government 2018a). Victoria advised that a gap analysis has been completed which identified the gaps between LTWP targets and its state-wide monitoring programs. Victoria also advised it intended to provide its monitoring and evaluation plan to the MDBA in June 2019, a revision from the previously advised target date of June 2018. The MDBA reported that productive discussions have been held with Victoria, with the MDBA putting forward suggestions to improve the quality of the LTWPs and to ensure consistency with the Basin Plan. The Productivity Commission has recommended that following the publication of the 2019 Basin-Wide Environmental Watering Strategy, the MDBA provide clear guidance to the Basin states on the content it expects to be included in the LTWPs (PC 2018).

The MDBA has advised that the need for an integrated Murray LTWP will be revisited in June 2019 once all other LTWPs are due.

Appendix A: Schedule A of National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin

The parties agree to meet the performance milestones set out in Schedule A (Table A).

Table A Schedule to the National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin

Date due	Milestones	Proportion of annual payment
2013–14 only		
By 28 February 2014 (or first working day thereafter)	1. For New South Wales, Victoria and South Australia only, the State has provided a brief description of supply measure projects for which feasibility and business cases are being developed for consideration under the SDL adjustment mechanism.	100% of Payment 1 for 2013–14
2013–14 only		
By 28 February 2014 (or first working day thereafter)	2. The State has supported the Commonwealth in bridging the gap, as measured by: <ol style="list-style-type: none"> confirmation that no restrictions were introduced on the trade of water access entitlement, except where consistent with the Basin Plan water trading rules; and confirmation that no action has been taken to impede Commonwealth measures to acquire water for environmental purposes; and confirmation that applications for water entitlement and allocation trades, to which the Commonwealth is a party, were processed consistent with the agreed service standards relating to trade processing times for State approval agencies; and specification of entitlements in regulated surface water systems, consistent with clauses 28 to 32 of the National Water Initiative in the timeframe agreed in the IGA, unless where otherwise agreed; and 3. Following publication of the Constraints Management Strategy by the [Murray–Darling Basin] Authority, confirmation that any actions taken by the state to remove or address constraints are consistent with the measures agreed through the inter-jurisdictional governance procedure for the SDL adjustment mechanism; and 4. The State has cooperated in arrangements for Basin Plan environmental watering, as measured by: <ol style="list-style-type: none"> Except as otherwise agreed between the Commonwealth and the relevant State(s) to facilitate improved environmental watering, confirmation that the characteristics of licensed entitlements held for environmental use have not been enhanced or diminished relative to like entitlements held and used for other purposes; and Where feasible and agreed by the relevant Basin State, and where associated third party impacts have been considered, 	100% of Payment 2 for 2013–14

Date due	Milestones	Proportion of annual payment
	<p>confirmation that measures have been implemented to facilitate the use of environmental water by protecting environmental water in-stream and on land through:</p> <ul style="list-style-type: none"> i) the delivery of held environmental water in-stream through arrangements such as water shepherding to facilitate environmental flows; and ii) further use of environmental water at multiple locations along the river, such as through return flow provisions; and <p>c) confirmation that the Authority has been provided with annual environmental watering priorities, consistent with the Basin Plan; and</p> <p>d) confirmation that the management and delivery of planned and held environmental water is consistent with the Basin Plan; including:</p> <ul style="list-style-type: none"> i) the environmental watering plan's <i>Principles to be applied to environmental watering</i>; and ii) that a statement of reasons has been provided to the Authority for any environmental watering undertaken that was not in accordance with the Basin annual environmental watering priorities; and <p>e) confirmation that environmental watering in regulated catchments has occurred having regard to the views of local communities and persons materially affected by the management of environmental water; and</p> <p>f) 12 months after the Authority has made the Basin-wide Environmental Watering Strategy, or within another timeframe agreed between the Authority and Basin State, confirmation that long-term environmental watering plans for surface water resource plan areas have been developed consistent with the requirements of the Basin Plan; and</p> <p>5. For New South Wales, Victoria and South Australia only, the State has provided a brief description of supply measure projects for which feasibility and business cases are being developed for consideration under the SDL adjustment mechanism.</p>	
2014–15 to 2019–20		
Date due	Milestones	Proportion of annual payment
By 31 August 2014, 2015, 2016, 2017, 2018 and 2019 (or first working day thereafter)	<p>6. The State has supported the Commonwealth in Bridging the Gap, as measured by:</p> <ul style="list-style-type: none"> a) after the Basin Plan Trade Rules come into effect, confirmation of the removal of volumetric or other barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules; and b) confirmation that no restrictions were introduced on the trade of water access entitlements, except where consistent with the Basin Plan water trading rules; and c) confirmation that no action has been taken to impede Commonwealth measures to acquire water for environmental purposes, except where consistent with the Basin Plan water trading rules; and d) confirmation that applications for water entitlement and allocation trades, to which the Commonwealth is a party, were processed consistent with the agreed service standards relating to trade processing times for State approval agencies; and 	100%

Date due	Milestones	Proportion of annual payment
	<ul style="list-style-type: none"> e) specification of entitlements in regulated surface water systems, consistent with clauses 28 to 32 of the National Water Initiative in the timeframe agreed in the IGA, unless where otherwise agreed; and 	
	7. Following publication of the Constraints Management Strategy by the Authority, confirmation that any actions taken by the state to remove or address constraints are consistent with the measures agreed through the inter-jurisdictional governance procedure for the SDL adjustment mechanism.	
	8. The State has cooperated in arrangements for Basin Plan environmental watering, as measured by:	
	<ul style="list-style-type: none"> a) Except as otherwise agreed between the Commonwealth and the relevant State(s) to facilitate improved environmental watering, confirmation that the characteristics of licensed entitlements held for environmental use have not been enhanced or diminished relative to like entitlements held and used for other purposes b) Where feasible and agreed by the relevant Basin State, and where associated third party impacts have been considered, confirmation that measures have been implemented to facilitate the use of environmental water by protecting environmental water in-stream and on land through: <ul style="list-style-type: none"> i) the delivery of held environmental water in-stream through arrangements such as water shepherding to facilitate environmental flows; and ii) further use of environmental water at multiple locations along the river, such as through return flow provisions; and c) confirmation that the Authority has been provided with annual environmental watering priorities, consistent with the Basin Plan; and d) confirmation that the management and delivery of planned and held environmental water is consistent with the Basin Plan; including: <ul style="list-style-type: none"> i) the environmental watering plan's <i>Principles to be applied to environmental watering</i>; and ii) that a statement of reasons has been provided to the Authority for any environmental watering undertaken that was not in accordance with the Basin annual environmental watering priorities; and e) confirmation that environmental watering in regulated catchments has occurred having regard to the views of local communities and persons materially affected by the management of environmental water; and f) 12 months after the Authority has made the Basin-wide Environmental Watering Strategy, or within another timeframe agreed between the Authority and Basin State, confirmation that long-term environmental watering plans for surface water resource plan areas have been developed consistent with the requirements of the Basin Plan. 	
	9. For New South Wales, Victoria and South Australia only, and for 2014–15 and 2015–16 only, the State has provided a brief description of supply measure projects for which feasibility and business cases are being developed for consideration under the SDL adjustment mechanism.	

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