



Australian Government  
Department of Agriculture  
and Water Resources

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

Milestone assessments for the year  
ending 30 June 2016



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# Contents

<b>Background .....</b>	<b>5</b>
Assessor's role .....	5
Assessment scope .....	5
Assessment approach .....	5
<b>1 Assessment for the Australian Capital Territory .....</b>	<b>6</b>
Summary of findings .....	6
Bridging the gap .....	7
Implementation of the Constraints Management Strategy .....	7
Cooperation in environmental watering.....	8
Supply measures projects .....	9
<b>2 Assessment for New South Wales .....</b>	<b>10</b>
Summary of findings .....	10
Bridging the gap .....	11
Implementation of the Constraints Management Strategy .....	12
Cooperation in environmental watering.....	13
Supply measures projects .....	15
<b>3 Assessment for Queensland.....</b>	<b>16</b>
Summary of findings .....	16
Bridging the gap .....	17
Implementation of the Constraints Management Strategy .....	18
Cooperation in environmental watering.....	18
Supply measures projects .....	19
<b>4 Assessment for South Australia .....</b>	<b>20</b>
Summary of findings .....	20
Bridging the gap .....	21
Implementation of the Constraints Management Strategy .....	22
Cooperation in environmental watering.....	22
Supply measures projects .....	24
<b>5 Assessment for Victoria .....</b>	<b>25</b>
Summary of findings .....	25
Bridging the gap .....	26
Implementation of the Constraints Management Strategy .....	27
Cooperation in environmental watering.....	27
Supply measures projects .....	29

<b>Appendix 1: Schedule A to the National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin.....</b>	<b>30</b>
<b>References.....</b>	<b>34</b>

## Tables

Table 1 Summary of findings for the Australian Capital Territory .....	6
Table 2 Summary of findings for New South Wales .....	10
Table 3 Summary of findings for Queensland .....	16
Table 4 Summary of findings for South Australia.....	20
Table 5 Summary of findings for Victoria .....	25
Table 6 Schedule A to the National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin .....	30

# 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 Basin’s health 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 to the NPA, 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 1), as described in Part 4 of the NPA.

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 and Water Resources. This is the second report by the department.

## Assessment scope

This assessment is limited to the actions listed in Schedule A of the NPA. It addresses milestone progress made by the Basin states during the assessment period from 1 July 2015 to 30 June 2016.

## 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 publicly available 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 Murray–Darling Basin Authority (MDBA). Basin states were given an opportunity to comment and provide feedback before the assessment was finalised.

# 1 Assessment for the Australian Capital Territory

## Summary of findings

Findings for the Australian Capital Territory (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.	<ul style="list-style-type: none"> <li>a) The ACT has made progress to remove volumetric or other barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules. Progress towards facilitating interstate trade with New South Wales is anticipated in planned discussions between New South Wales, the ACT and the MDBA.</li> <li>b) The ACT did not introduce any restrictions or suspensions on the trading of water access entitlements.</li> <li>c) The ACT did not take any action to impede Commonwealth measures to acquire water during the assessment period.</li> <li>d) The ACT has not been involved in Commonwealth applications for water trading.</li> <li>e) There is no evidence to suggest ACT entitlements in regulated surface water systems are inconsistent with the provisions of NWI clauses 28–32.</li> </ul>	Milestone partially met. Steps and activities are underway to fully meet the milestone.
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 the ACT.	Not applicable.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	The ACT has participated where applicable in the arrangements for Basin Plan environmental watering.	Milestone met.
9) 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.	Not applicable to the ACT.	Not applicable.

## **Bridging the gap**

### **Removal of barriers**

The Basin Plan water trading rules came into effect on 1 July 2014. The department is aware that the MDBA has raised a number of issues with the ACT that relate to matters covered under Milestone 6(a), including in correspondence of 25 June 2015 and 18 December 2015.

The MDBA advises that correspondence and negotiations between the MDBA and the states in 2016 has led to a pathway for addressing a number of trade restrictions. Other areas where agreement has not been reached remain under discussion.

The ACT's Statement of Assurance notes that arrangements to enable interstate water trading between the ACT and New South Wales are still not in place. The ACT has advised that they are highly supportive of progressing this matter and outlined its ongoing efforts to work with New South Wales to enable interstate trade.

The department notes the continued effort of the ACT, although remains concerned that interstate trade arrangements between the ACT and New South Wales have not been progressed in 2015–16. The department anticipates that the matter will be progressed in forthcoming discussions between New South Wales, the ACT and the MDBA. The department expects to see progress in addressing this issue during 2016–17.

### **Restrictions on trade**

The ACT's Statement of Assurance confirmed that during the assessment period the ACT had not introduced any restrictions or suspensions on the trading of water access entitlements (ACT Government 2016).

The MDBA has confirmed that it is not aware of any new restrictions that were introduced in 2015–16 in the ACT that are inconsistent with the Basin Plan.

### **Actions to impede Commonwealth water acquisitions**

The department is not aware of any actions to impede Commonwealth measures to acquire water for environmental purposes during 2015–16.

### **Processing times for trades**

The ACT's Statement of Assurance confirmed that there were no trades where the Commonwealth was a participant for water resources within the ACT during the assessment period (ACT Government 2016).

### **NWI-consistent entitlements**

The ACT's Statement of Assurance confirmed it is managing water under the interim water resource plan (ACT Government 2016).

## **Implementation of the Constraints Management Strategy**

Not applicable to the ACT.

## **Cooperation in environmental watering**

### **Characteristics of licensed entitlements**

In 2015, the ACT confirmed that characteristics of licence entitlements held for environmental use were not enhanced or diminished relative to like entitlements held and used for other purposes (ACT Government 2015). In addition, the MDBA and the CEWO have recently advised they are not aware of any restrictions that would constitute discriminatory or preferential treatment for licensed entitlements held for environmental use.

### **Annual environmental watering priorities**

The ACT's Statement of Assurance confirmed its approach to environmental watering is through its legislated environmental flows framework (ACT Government 2016). The MDBA has advised that they are working with the ACT to ensure that the annual watering priorities can be expressed in a manner which ensures consistency with the Basin Plan.

### **Management of environmental water consistent with the Basin Plan**

The ACT's Statement of Assurance confirmed that it is managing water under the Interim Water Resource Plan and is currently in discussions with the MDBA and the department regarding the merit of extending the interim plan to 30 June 2019.

The ACT undertakes planned environmental watering by reference to the *Water Resources Act 2007* (ACT) and the ACT's environmental flow guidelines (ACT Government 2013). The ACT does not have any held environmental water, and planned environmental flow releases are undertaken by the ACT's water utility, ICON Water in accordance with the environmental flow guidelines (ACT Government 2016).

### **Consultation on environmental watering**

The ACT's Statement of Assurance notes that the ACT has engaged and continues to work with a large range of stakeholders in regard to water and water resource planning in the ACT (ACT Government 2016). These stakeholders include:

- ICON Water
- local Indigenous groups
- the NSW Government and surrounding local governments (Queanbeyan-Palerang, Yass and Snowy-Monaro)
- the National Capital Authority
- the Upper Murrumbidgee Catchment Coordinating Group
- rural landholders.

### **Long-term environmental watering plans**

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 (LTWP) for surface water resource plan areas have been developed consistent with the requirements of the Basin Plan.

The Basin-wide Environmental Watering Strategy was released on 24 November 2014. The ACT's Statement of Assurance confirmed it has drafted a LTWP as a component of the draft ACT



Water Resource Plan based on the ACT environmental flow guidelines. The ACT has agreed with the MDBA to submit the LTWP by November 2016.

The MDBA informally assessed the draft ACT Water Resource Plan and provided advice on a number of issues. The MDBA has suggested that consideration should be given to seeking a formal extension of the ACT Interim Water Resource Plan to 30 June 2019. The ACT have advised that this would also allow for the review of ACT environmental flow guidelines due in 2018.

The MDBA and the ACT have advised that they are currently in discussions regarding the merit of extending the Interim Water Resource Plan to 30 June 2019. The ACT's Statement of Assurance noted that if an extension of the Plan was sought, the ACT would consider separating out sections of the plan, including drafting a separate LTWP to facilitate the Authority's approval process.

## **Supply measures projects**

Not applicable to the ACT.

## 2 Assessment for New South Wales

### Summary of findings

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"> <li>a) New South Wales has made progress in removing volumetric or other barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules. Progress towards facilitating interstate trade with the ACT is anticipated in planned discussions between NSW, the ACT and the MDBA.</li> <li>b) New South Wales did not introduce any additional restrictions or suspensions on the trading of water access entitlements during the assessment period.</li> <li>c) New South Wales did not take any action to impede Commonwealth measures to acquire water for environmental purposes during the assessment period.</li> <li>d) Applications for water entitlement and allocation trades were processed consistent with the agreed service standards for trade processing times.</li> <li>e) New South Wales entitlements in regulated surface water systems are consistent with the provisions of NWI clauses 28-32</li> </ul>	Milestone partially met. Steps and activities are underway to fully meet the milestone.
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 supported development of constraints measures proposals but has not provided all required business cases to support assessment of its constraint measure proposals in accordance with the agreed timetable.	Milestone partially met. Steps and activities are underway to fully meet the milestone.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	<ul style="list-style-type: none"> <li>a) New South Wales did not enhance or diminish licence entitlements held for environmental use relative to like entitlements held and used for other purposes during 2015–16.</li> <li>b) New South Wales has made some progress to support measures to facilitate the use of environmental water.</li> <li>c) New South Wales provided its Annual Environmental Watering Priorities</li> </ul>	Milestone met.

National Partnership commitments	Assessment summary	Finding
	<p>for 2015–16, consistent with the Basin Plan, to the MDBA.</p> <p>d) New South Wales applied the Basin Plan's Principles to be applied in environmental watering during 2015–16.</p> <p>e) Environmental watering has occurred having regard to the views of local communities and persons materially affected by the management of environmental water.</p> <p>f) New South Wales has agreed to a schedule with the MDBA for the provision of long-term environmental watering plans for surface water resource plan areas. None were due within the assessment period.</p>	
9) 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.	New South Wales has provided a description of supply measure projects.	Milestone met.

## Bridging the gap

### Removal of barriers

The Basin Plan water trading rules came into effect on 1 July 2014. The department is aware that MDBA has raised a number of issues with New South Wales that relate to matters covered under Milestone 6(a), including in correspondence of 25 June 2015 and 18 December 2015. These include interstate trade between New South Wales and the ACT; interstate trade between New South Wales and Queensland on the intersecting streams; and intervalley trade limits which may be inconsistent with the Basin Plan water trading rules.

The New South Wales Statement of Assurance states that volumetric or other barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules have been removed (NSW Government 2016).

The MDBA advises that correspondence and negotiations between the MDBA and the states in 2016 has resulted in an agreed pathway for addressing a number of trade restrictions.

The department is aware that both New South Wales and Queensland have expressed the view that there is little if any demand for interstate trade on the intersecting streams. MDBA has advised that New South Wales is supportive of a proposal for a joint project to examine appropriate intervalley trade limits. Both of these matters remain the subject of discussions between New South Wales and the MDBA.

The department remains concerned that interstate trade arrangements between New South Wales and the Australian Capital Territory have not been progressed in 2015–16. The department anticipates that the matter will be progressed in forthcoming discussions between New South Wales, the ACT and the MDBA. The department expects to see progress in addressing this issue during 2016–17.

### **Restrictions on trade**

The New South Wales Statement of Assurance advises that it has not introduced restrictions on the trading of water access entitlements, except where consistent with the Basin Plan water trading rules (NSW Government 2016).

The MDBA has confirmed that it is not aware of any new restrictions that were introduced in 2015–16 by New South Wales that are inconsistent with the Basin Plan.

### **Actions to impede Commonwealth water acquisitions**

During 2015–16 the Commonwealth acquired water for environmental purposes through investment in water saving infrastructure and direct purchase of entitlements. The Commonwealth is not aware of any actions taken by New South Wales to impede the acquisition of water.

### **Processing times for trades**

The New South Wales Statement of Assurance noted that the agreed service standards for water trades to which the Commonwealth was a party had been met (NSW Government 2016). This is supported by publicly available data for the 2015–16 water year on the New South Wales online Water Register (DPI Water 2016).

### **NWI-consistent entitlements**

The New South Wales Statement of Assurance confirms that entitlements in regulated surface water systems are consistent with clauses 28 to 32 of the NWI, unless where otherwise agreed (NSW Government 2016; see also NWC 2014).

## **Implementation of the Constraints Management Strategy**

The Constraints Management Strategy was published by the MDBA in November 2013.

Schedule 1 of the IGA requires that, following publication of the Strategy, any actions taken by the state to remove or address constraints are to be consistent with the measures agreed through the inter-jurisdictional governance procedure for the SDL adjustment mechanism.

The New South Wales Statement of Assurance noted it is actively participating in Phase 2 of the Constraints Management Strategy including the development of Concept Plans for the relaxation of constraints in priority reaches.

New South Wales indicated it submitted draft concept proposals for three constraints measures in April 2016. These were included in the package of measures approved by the Murray–Darling Basin Ministerial Council and notified by Basin Officials Committee to the MDBA in May 2016 as supply measures. In addition, New South Wales stated an additional constraints measure proposal has been developed for the Gwydir and will be considered by the MDBA as part of the northern Basin review (NSW Government 2016).

The department notes that on 22 April 2016 Ministerial Council agreed a package of constraint measure projects and on 27 April 2016 agreed to release descriptions of these projects on the MDBA website (MDBA 2016). These projects included New South Wales constraints proposals for the Yarrawonga to Wakool reach of the Murray, the Murrumbidgee and the Lower Darling.

All business case assessments and project confirmations from the first package of projects were due by 28 July 2016. Meeting this deadline was dependent on New South Wales supplying sufficient details of its constraints proposals well ahead of this date. This level of detail has not been provided for any of the four New South Wales proposals by 30 June 2016.

The department notes some progress by New South Wales in the development of two of its business cases since this date, but remains concerned with the substantial slippage in New South Wales progressing this work. The department expects cooperation with the Commonwealth and other Basin States during 2016–17 to progress the New South Wales constraints proposals in line with timeframes agreed under the IGA.

## **Cooperation in environmental watering**

### **Characteristics of licensed entitlements**

In 2015 New South Wales confirmed that characteristics of licence entitlements held for environmental use were not enhanced or diminished relative to like entitlements held and used for other purposes (NSW Government 2015). In addition, the MDBA and the CEWO have recently advised they are not aware of any restrictions that would constitute discriminatory or preferential treatment for licensed entitlements held for environmental use.

### **Measures implemented to facilitate the use of environmental water**

As part of the Nimmie-Caira Enhanced Environmental Water Delivery Project, an agreement for the Protection and Re-use of Commonwealth Environmental Water held in the Murrumbidgee Catchment was finalised and agreed by the Commonwealth and New South Wales governments on 20 June 2014.

Although work commenced toward meeting the project requirements, New South Wales has not implemented the protection and reuse provisions of the Project Agreement and is currently in the process of renegotiating the agreement which is likely to remove these requirements.

New South Wales has provided its Pre-requisite Policy Measures Implementation Plan to the MDBA.

The MDBA and the CEWO have raised concerns with the NSW Pre-requisite Policy Measures Implementation Plan provided to the MDBA on 30 June 2016, including proposed measures which could diminish the use of CEWH entitlements relative to other holders of similar entitlements. The department expects to see on-going cooperation between New South Wales, the MDBA and the CEWO during 2016–17 to resolve this issue.

### **Annual environmental watering priorities**

The New South Wales Statement of Assurance advises that it has identified the Annual Environmental Watering Priorities for surface water resource plan areas for 2016–17. These priority statements were provided to the MDBA in May 2016 and are available on the New South Wales Office of Environment and Heritage website (OEH 2016). Annual Environmental Watering Priorities were provided for these areas:

- Gwydir
- Macquarie
- Lachlan

- Murrumbidgee
- Murray and Lower Darling.

As in previous years, these Annual Environmental Watering Priorities were developed in consultation with New South Wales government agencies, the CEWO and with community input through Environmental Water Advisory Groups.

The MDBA has advised that as in previous years, New South Wales provided priorities for the major regulated catchments but has not provided priorities for less significant catchments or where environmental watering occurred primarily through rules in water sharing plans. The MDBA expects New South Wales to develop priorities for all catchments as part of the water resource plan development process.

### **Management of environmental water consistent with Basin Plan**

During the 2015–16 season, environmental water has been delivered to a range of sites in each of the priority catchments for which annual watering priorities have been developed. These watering events are detailed in annual environmental watering reports on the New South Wales Office of Environment and Heritage website (OEH 2016).

Planned environmental water in New South Wales is an element of the state's existing statutory water sharing plans.

The department is aware that 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 expressed concern 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 MDBA has found the amendments do not meet the Basin Plan 'no less consistent' test, however the amended Plan has since been recognised by the Commonwealth Water Minister as a Transitional Water Resource Plan under the provisions of the Basin Plan.

Three flow events occurred during July to October 2015 which allowed increased extractions for irrigation under the amended water sharing arrangements.

The department expects that New South Wales will undertake the planned evaluation of the environmental effects of the rule change to ensure this issue is resolved in time for final water resource plan accreditation in 2019.

In July 2016, New South Wales announced a review of the provisions for translucent flow releases from inland regulated river storages. This review of the translucency rules will be an area to be examined as part of the 2016–17 assessment to ensure the rules remain consistent with the Basin Plan.

### **Consultation on environmental watering**

New South Wales confirms that it is continuing engagement for environmental watering through Environmental Watering Advisory Groups for priority catchments. An independent review of these Advisory Groups was undertaken in 2014 and the recommendations are continuing to be implemented, particularly incorporating diverse stakeholder perspectives to improve performance (Lukasiewicz & Dare 2014).

New South Wales has also established Stakeholder Advisory Panels as a forum to discuss water management options. The Panels include representatives from water users and environmental interests.

New South Wales also has an established Aboriginal Water Initiative team and has undertaken Aboriginal engagement through Northern Basin Aboriginal Nations and Murray Lower Darling Rivers Indigenous Nations, local Aboriginal land councils and other interested Aboriginal groups (NSW Government 2016).

### **Long-term environmental watering plans**

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 New South Wales, long-term environmental watering plans (LTWP) for surface water resource plan areas have been developed consistent with the requirements of the Basin Plan.

The Basin-wide environmental watering strategy was released on 24 November 2014. New South Wales has agreed with the MDBA their LTWP will be finalised in three tranches: in May 2017, May 2018 and May 2019.

New South Wales has advised that the development of a number of long-term water plans is well progressed with draft plans for the Gwydir and Macquarie-Castlereagh nearing completion (NSW Government 2016).

### **Supply measures projects**

New South Wales has provided descriptions of supply measures.

In May 2016, the Ministerial Council notified the MDBA of a package of 37 supply measures. Of these New South Wales leads or is a co-proponent for 17 measures.

### 3 Assessment for Queensland

#### Summary of findings

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.	<ul style="list-style-type: none"> <li>a) Queensland has made progress in removing volumetric or other barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules.</li> <li>b) Queensland did not introduce any restrictions or suspensions on the trading of water access entitlements.</li> <li>c) Queensland did not take any action to impede Commonwealth measures to acquire water for environmental purposes.</li> <li>d) Applications for water entitlement and allocation trades were processed consistent with the agreed service standards for trade processing times.</li> <li>e) Queensland entitlements in supplemented (regulated) surface water systems are consistent with the provisions of NWI clauses 28-32.</li> </ul>	Milestone partially met. Steps and activities are underway to fully meet the milestone.
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.	Not applicable.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	<ul style="list-style-type: none"> <li>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.</li> <li>b) Queensland has implemented measures to facilitate the use of environmental water.</li> <li>c) Queensland has provided annual environmental watering priorities, consistent with the Basin Plan, to the MDBA.</li> <li>d) Queensland applied the Basin Plan's Principles to be applied in environmental watering during 2015–16.</li> <li>e) Environmental watering has occurred with regard to the views of local communities and persons</li> </ul>	Milestone met.



National Partnership commitments	Assessment summary	Finding
	<p>materially affected by the management of environmental water.</p> <p>f) Queensland has submitted a long term environmental watering plan for the Warrego-Paroo-Nebine Water Resource Plan area.</p>	
9) 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.	Not applicable to Queensland.	Not applicable.

## Bridging the gap

### Removal of barriers

The Basin Plan water trading rules came into effect on 1 July 2014. The department is aware that MDBA has raised a number of issues with Queensland that relate to matters covered under Milestone 6(a), including in correspondence of 25 June 2015 and 18 December 2015. These include interstate trade between New South Wales and Queensland on the intersecting streams; trade of water access entitlements with conjunctive storage conditions; and relocatable licences.

Queensland's Statement of Assurance advised that Queensland has partially removed volumetric or other barriers to permanent trade out of irrigation areas that are inconsistent with the Basin Plan water trading rules (Queensland Government 2016).

The MDBA advised that correspondence and negotiations between the MDBA and the states in 2016 has led to a pathway for addressing a number of trade restrictions. Other areas where agreement has not been reached remain under discussion.

The department is aware that both NSW and Queensland have expressed the view that there is little if any demand for interstate trade on the intersecting streams.

### Restrictions on trade

Queensland's Statement of Assurance advised it has not introduced any restrictions on trading of water access entitlements, except in the Warrego-Paroo-Bulloo-Nebine Resource Operations Plan. This rule includes a visible pass flow requirement to water access entitlements being temporarily traded to waterholes intended to provide increased protection for environmental water in refugial waterholes (Queensland Government 2016).

The MDBA has confirmed that it is not aware of any new restrictions that were introduced in 2015–16 in Queensland that are inconsistent with the Basin Plan, with the exception of temporary trade into a waterhole in the Warrego-Paroo-Nebine plan area. The MDBA understands this restriction will be removed for permanent trade from all water plan areas by 2019 through the review of Queensland's water resource plans.

### Actions to impede Commonwealth water acquisitions

Queensland confirmed in its Statement of Assurance that it did not take any action to impede Commonwealth measures to acquire water for environmental purposes during 2015–16 (Queensland Government 2016).

The department is not aware of any actions to impede Commonwealth measures to acquire water for environmental purposes during 2015–16.

### **Processing times for trades**

Queensland stated it had processed all entitlement and allocation trades to which the Commonwealth was a party within the agreed service standard (Queensland Government 2016).

### **NWI-consistent entitlements**

Trading has been facilitated in all regulated (supplemented) water supply schemes in Queensland and the specification of entitlements in these areas is consistent with the provisions of clauses 28–32 of the NWI (Queensland Government 2016).

## **Implementation of the Constraints Management Strategy**

This milestone is not applicable to Queensland.

## **Cooperation in environmental watering**

### **Characteristics of licensed entitlements**

Queensland's Statement of Assurance confirmed that characteristics of licence entitlements held for environmental use were not enhanced or diminished relative to like entitlements held and used for other purposes during 2015–16 (Queensland Government 2016).

### **Measures implemented to facilitate the use of environmental water**

Queensland's Statement of Assurance confirmed that measures have been implemented to facilitate the use of environmental water (Queensland Government 2016).

### **Annual environmental watering priorities**

Queensland's Statement of Assurance confirmed that the MDBA was provided with annual environmental watering priorities, consistent with the Basin Plan (Queensland Government 2016). Queensland's 2016–17 watering priorities for the Queensland component of the Murray–Darling Basin are publicly available on the Department of Natural Resources and Mines website (DNRM 2016).

### **Management and delivery of environmental water consistent with Basin Plan**

Queensland confirms that management and delivery of planned and held environmental water was consistent with the Basin Plan, including the Environmental Watering Plan's Principles to be applied to environmental watering (Queensland Government 2016).

### **Consultation on environmental watering**

Queensland's Statement of Assurance confirms that environmental watering in regulated catchments has occurred with regard to the views of local communities and person materially affected by the management of environmental water (Queensland Government 2016).

Queensland has stated that environmental watering in regulated and unregulated catchments occurs in accordance with the rules contained within the Queensland Water Resource Plans and Resource Operation Plans. In developing these plans, Queensland undertook extensive

consultation with stakeholder groups including water users, water infrastructure operators, sectoral interest groups and other jurisdictions.

In the St George water supply scheme, there are Environmental Stock and Domestic water releases from Beardmore Dam. The operational manager at the St George Department of Natural Resources and Mines office undertakes consultation with water entitlement holder and landholders in the Lower Balonne prior to releases.

The Department of Natural Resources and Mines also consulted directly with the CEWO, the New South Wales government and the MDBA when preparing its Annual Environmental Watering Priorities for 2015–16 and 2016–17 (Queensland Government 2016).

### **Long-term environmental watering plans**

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 (LTWP) for surface water resource plan areas have been developed consistent with the requirements of the Basin Plan.

Queensland advises that the long-term environmental watering plan for surface water in the Warrego-Paroo-Nebine water resource plan area has been developed consistent with the requirements of the Basin Plan (Queensland Government 2016). The plan can be found on the Department of Natural Resources and Mines website (DNRM 2016).

Queensland has agreed with the MDBA to finalise remaining plans by June 2019.

### **Supply measures projects**

This milestone is not applicable to Queensland.

## 4 Assessment for South Australia

### Summary of findings

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.	<ul style="list-style-type: none"> <li>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.</li> <li>b) South Australia did not introduce any additional restrictions or suspensions on the trading of water access entitlements during the assessment period.</li> <li>c) South Australia did not take any action to impede Commonwealth measures to acquire water for environmental purposes.</li> <li>d) Applications for water entitlement and allocation trades were processed consistent with the agreed service standards for trade processing times.</li> <li>e) South Australian entitlements in regulated surface water systems are consistent with the provisions of NWI clauses 28-32.</li> </ul>	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 development and implementation of the Constraints Management Strategy.	Milestone met.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	<ul style="list-style-type: none"> <li>a) South Australia did not enhance or diminish licence entitlements held for environmental use relative to like entitlements held and used for other purposes during 2015–16.</li> <li>b) South Australia has implemented measures to facilitate the use of environmental water.</li> <li>c) South Australia provided its annual environmental watering priorities for 2016–17, consistent with the Basin Plan, to the MDBA in May 2016.</li> <li>d) South Australia consistently applied the Basin Plan's Principles to be applied in environmental watering during 2015–16.</li> <li>e) Environmental watering in regulated catchments has occurred with regard</li> </ul>	Milestone met.

National Partnership commitments	Assessment summary	Finding
	to the views of local communities and persons materially affected by the management of environmental water. f) South Australia has developed a LTWP for the River Murray. South Australia has commenced development of a LTWP for the Eastern Mount Lofty Ranges and South Australian Murray Region.	
9) 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.	South Australia has provided the Commonwealth with a description of supply measure projects for which business cases are being developed for consideration under the SDL adjustment mechanism.	Milestone met.

## Bridging the gap

### Removal of barriers

The Basin Plan water trading rules came into effect on 1 July 2014. The department is aware that the MDBA has previously raised a number of issues with South Australia that relate to matters covered under Milestone 6(a), including through correspondence of 25 June 2015 and 18 December 2015. The MDBA advises that correspondence and negotiations between the MDBA and South Australia in 2016 led to a pathway and the resolution of trade restrictions where they may have been inconsistent with the Basin Plan Water Trading Rules.

South Australia stated that surface 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 2016).

### Restrictions on trade

South Australia stated that in 2015–16 it did not introduce any restrictions or suspensions on the trade of water access entitlements (SA Government 2016).

The MDBA has confirmed that it is not aware of any new restrictions that were introduced in 2015–16 in South Australia that are inconsistent with the Basin Plan.

### Actions to impede Commonwealth water acquisitions

The department is not aware of any instances in which South Australia had taken action to impede Commonwealth measures to acquire water for environmental purposes during 2015–16.

### Processing times for trades

South Australia stated that it had 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 2016). These findings are supported by data publicly available from South Australia's water trade reporting website.

## **NWI-consistent entitlements**

South Australia's 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 (SA Government 2016; see also NWC 2014).

## **Implementation of the Constraints Management Strategy**

The Constraints Management Strategy was published by the MDBA in November 2013.

Schedule 1 of the IGA requires that, following publication of the Strategy, any action taken by the state to remove or address constraints are to be consistent with the measures agreed through the inter jurisdictional governance procedure for the SDL adjustment mechanism.

South Australia prepared a constraints measure business case to address physical constraints to environmental water delivery for the River Murray in South Australia. This business case was submitted for Phase 2 assessment under the Sustainable Diversion Limit Adjustment Mechanism in March 2016 (SA Government 2016).

On the 22 April 2016, the Murray–Darling Basin Ministerial Council agreed a package of constraint measure projects. The supply and constraint measures project are published on the MDBA website (MDBA 2016).

While outside the timeframes of the 2015–16 assessment, the department notes that the receipt of all constraint business case assessments and confirmations for first notification projects, which are to be prepared by relevant Basin states, have slipped beyond the due date of 28 July 2016. The department expects to see on-going cooperation between the Basin states and the Commonwealth during 2016–17 to progress assessments and confirmations in line with timeframes agreed under the IGA.

## **Cooperation in environmental watering**

### **Characteristics of licensed entitlements**

In 2015 South Australia confirmed that characteristics of licence entitlements held for environmental use were not enhanced or diminished relative to like entitlements held and used for other purposes (SA Government 2015). The MDBA has not been notified of any restrictions that would constitute discriminatory or preferential treatment for licensed entitlements held for environmental use.

### **Measures implemented to facilitate the use of environmental water**

South Australia has been participating in annual multi-site environmental watering trials which attempt to maximise the use of environmental water by re-using return flows as the water moves through the Southern Connected Basin. The trials have tested a range of actions including new accounting methods, addition of environment water to unregulated flows, use of loss factors and coordination of environmental releases with natural flow peaks (DEWNR 2016a). South Australia's planned multi-site watering actions for 2016–17 are detailed in the 2016–17 Annual Environmental Water Plan for the SA River Murray (DEWNR 2016b).

South Australia Statement of Assurance noted that coordinated planning between the Basin states has allowed return flows from upstream watering to be re-used to achieve ecological outcomes at downstream sites including the Coorong, Lower Lakes and Murray Mouth.

South Australia has submitted its Pre-requisite Policy Measure Implementation Plan to the MDBA which outlines a pathway to full implementation by June 2019.

### **Annual environmental watering priorities**

South Australia's Statement of Assurance confirmed that the Murray–Darling Basin Authority was provided with annual environmental watering priorities for each of the three South Australian Murray–Darling Basin water resource plan areas, consistent with the Basin Plan, prior to 31 May 2016 (SA Government 2016).

The annual watering priorities for the South Australian River Murray, Eastern Mount Lofty Ranges, and South Australian Murray region are available on the Department of Environment, Water and Natural Resources (DEWNR) website.

### **Management of environmental water consistent with Basin Plan**

South Australia confirmed that it managed the delivery of planned and held environmental water consistent with the Basin Plan annual environmental watering priorities (SA Government 2016).

Environmental watering arrangements for the management and delivery of environmental water remain the same in the 2015–16 assessment period. In the River Murray held environmental water is available from four sources – the CEWH, The Living Murray, the South Australian Government and non-government organisations. There is no held environmental water in the Eastern Mount Lofty Ranges Water Resources.

South Australia prepares Annual Environmental Watering Plans for the South Australian River Murray to guide planned and held environmental water delivery in the state. It includes the agreed programme for environmental water delivery along the River Murray in South Australia, including the Lower Lakes, Coorong and Murray Mouth.

The long term watering plan prepared for the South Australian River Murray provides long-term objectives and strategies for managing and delivery of environmental water in the River Murray channel, its floodplain and wetlands, and the Coorong, Lakes and Murray Mouth regions.

### **Consultation on environmental watering**

South Australia's Statement of Assurance stated that during 2015–16, the DEWNR consulted a large range of stakeholders regarding environmental watering decisions.

Stakeholders engaged to inform the delivery of environmental water during 2015–16 included:

- the Commonwealth Environmental Water Holder
- the South Australian Murray–Darling Basin Natural Resources Management Board
- the River Murray Advisory Committee
- local action planning groups through the Community Action for the Rural Environment committee
- the Community Advisory Panel and Scientific Advisory Group for the Coorong, Lower Lakes and Murray Mouth
- the Nature Foundation

- the Ngarrindjeri Regional Authority, including the Mannum Aboriginal Community Association
- the First Peoples of the River Murray and Mallee Region.

South Australia has also reported that it participated in a range of groups and committees involved in informing decision making about real time management of environmental water in response to changing climatic and river conditions. These included:

- the Operations Advisory Group and Barrage Operations Advisory Group
- the MDBA Southern Connected Basin Environmental Water Committee
- the Water Liaison Working Group
- the Environmental Water Working Group
- the Living Murray Committee.

### **Long-term environmental watering**

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 watering plans (LTWP) for surface water resource plan areas have been 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 River Murray LTWP is publicly available on the DEWNR website (DEWNR 2016c).

During 2015–16, South Australia commenced preparing long term environmental water plans for the Eastern Mount Lofty Ranges and South Australian Murray Region water resource plan areas (SA Government 2016). The agreed delivery dates between the MDBA and South Australia for the LTWPs is June 2017 for the Eastern Mount Lofty Ranges and December 2017 for the South Australian Murray Region. South Australia advised that an extension to the original delivery date of June 2016 was agreed between the MDBA and South Australia for the delivery of the Eastern Mount Lofty Ranges.

### **Supply measures projects**

South Australia has provided descriptions of supply measure projects where feasibility and business cases were being developed for consideration under the SDL adjustment mechanism.

South Australia stated that three of their SDL adjustment proposals, including the Riverine Recovery Project, Chowilla, The Living Murray works, and South East Flows Restoration Project have been endorsed by the SDL Adjustment Assessment Committee to progress to the next phase development (Phase 3).

South Australia has submitted a further two SDL adjustment supply measures for consideration under the SDL adjustment mechanism, including the South Australian Riverland Floodplain Integrated Infrastructure Programme and Flows for the Future. Phase 2 business cases for these proposals were submitted on 15 Feb 2016 and 16 March 2016 respectively and are currently under review by the SDL Adjustment Assessment Committee for progression to Phase 3 (SA Government 2016).



## 5 Assessment for Victoria

### Summary of findings

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.	<ul style="list-style-type: none"> <li>a) Victoria has made progress in removing volumetric or other barriers to permanent trade out of water irrigation areas that are inconsistent with the Basin Plan water trading rules.</li> <li>b) Victoria did not introduce any restrictions or suspensions on the trading of water access entitlements.</li> <li>c) Victoria did not take any action to impede Commonwealth measures to acquire water for environmental purposes.</li> <li>d) Applications for water entitlement and allocation trades were processed consistent with the agreed service standards for trade processing times.</li> <li>e) Victorian entitlements in regulated surface water systems are largely consistent with the provisions of NWI clauses 28-32, with the exceptions of Coliban and Wimmera.</li> </ul>	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.	Victoria has supported development and implementation of the Constraints Management Strategy.	Milestone met.
8) The state has cooperated in arrangements for Basin Plan environmental watering.	<ul style="list-style-type: none"> <li>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.</li> <li>b) Victoria has implemented measures to facilitate the use of environmental water.</li> <li>c) Victoria has provided annual environmental watering priorities, consistent with the Basin Plan, to the MDBA.</li> <li>d) Victoria consistently applied the Basin Plan's Principles to be applied in environmental watering to environmental water received from the CEWH, TLM and Victorian holdings during 2015–16.</li> </ul>	Milestone met.

National Partnership commitments	Assessment summary	Finding
	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) Victoria has prepared long-term environmental watering plans for the Northern Victoria, Victorian Murray and Wimmera-Mallee.	
9) 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.	Victoria has provided a description of supply measure projects for which business cases are being developed for consideration under the SDL adjustment mechanism.	Milestone met.

## Bridging the gap

### Removal of barriers

The Basin Plan water trading rules came into effect on 1 July 2014. The department is aware that the MDBA has raised a number of issues with Victoria that relate to matters covered under Milestone 6(a), including in correspondence of 25 June 2015 and 18 December 2015. These include intrastate tagging arrangements, and intervalley trade limits which may be inconsistent with the Basin Plan water trading rules.

The MDBA advises that correspondence and negotiations between the MDBA and the Basin states in 2016 has led to pathway for addressing a number of trade restrictions. MDBA has advised that Victoria is supportive of a proposal for a joint project to examine appropriate intervalley trade limits, and this matter remains the subject of discussions between Victoria and the MDBA.

### Restrictions on trade

Victoria's Statement of Assurance indicated that it did not introduce any restrictions or suspensions on the trading of water access entitlements during the assessment period (Victorian Government 2016). The MDBA has confirmed that it is not aware of any new restrictions that were introduced in 2015–16 in Victoria that are inconsistent with the Basin Plan.

### Actions to impede Commonwealth water acquisitions

The Commonwealth is not aware of any actions taken by Victoria to impede Commonwealth measures to acquire water for environmental purposes during the assessment period.

### Processing times for trades

Victoria's 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 (Victorian Government 2016).

## **NWI-consistent entitlements**

Victorian entitlements in regulated surface water systems are largely consistent with the provisions of clauses 28-32 of the National Water Initiative, with the exception of the Coliban and Wimmera systems.

In the Coliban system entitlements 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 tradeable. 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 2016).

The Wimmera system mainly supplies small customers of Grampians Wimmera Mallee Water, which holds the primary rights on behalf of its customers. Customers have the ability to trade within the existing supply system. The entitlement structure in the Wimmera system has been reviewed. The review recommended no changes to the current domestic and stock supply system as the costs of unbundling greatly exceed the benefits (Victorian Government 2016).

## **Implementation of the Constraints Management Strategy**

The Constraints Management Strategy was published by the MDBA in November 2013.

Schedule 1 of the IGA requires that, following publication of the Strategy, any action taken by the state to remove or address constraints are to be consistent with the measures agreed through the inter-jurisdictional government procedure for the SDL adjustment mechanism.

Victoria has progressed the implementation of the Constraints Management Strategy, through the development and submission of two business cases. These include the Goulburn constraints business case and the Hume to Yarrawonga business case (developed as a joint proponent with New South Wales) which were submitted to the MDBA in April 2016.

The department notes that progress has been made to agree constraint projects consistent with the processes agreed in the IGA. On the 22 April 2016, the Murray–Darling Basin Ministerial Council agreed a package of constraint measure projects and on 27 April agreed to publish descriptions of the projects on the MDBA website (MDBA 2016).

While outside the timeframes of the 2015–16 assessment, the department notes that all constraint business case assessments and confirmation for first notification projects, which are to be produced by relevant Basin states, have slipped beyond the due date (28 July 2016) agreed under the IGA. The department expects on-going cooperation between the Basin states and the MDBA in 2016–17 to ensure that business case assessments and confirmations are completed as required.

## **Cooperation in environmental watering**

### **Characteristics of licensed entitlements**

In 2015 Victoria confirmed that characteristics of licensed entitlements held for environmental water use in Victoria were not enhanced or diminished relative to like entitlements held and used for other purposes during the assessment period (Victorian Government 2015). The MDBA has not been notified of any restrictions that would constitute discriminatory or preferential treatment for licensed entitlements held for environmental use.

## **Measures implemented to facilitate the use of environmental water**

Victorian, Commonwealth and The Living Murray environmental water is generally delivered through entitlements held by the Victorian Environmental Water Holder (VEWH).

Return flow provisions are in place in Victoria through the rules in its environmental water entitlements (VEWH 2016). The return flow provisions allow environmental water to be shepherded through the system to meet downstream environmental demands in Victoria and into South Australia (Victorian Government 2016).

Victoria has submitted its Prerequisite Policy Measure Implementation Plan to the MDBA, which contains a number of actions that Victoria will undertake to June 2019 to improve the operability and transparency of PPM implementation in northern Victoria.

## **Annual environmental watering priorities**

Victoria's Statement of Assurance confirmed that the MDBA was provided with annual environmental watering priorities, consistent with the Basin Plan (Vic Government 2016). The 2016–17 seasonal watering plan of the VEWB has also been made publicly available (VEWH 2016).

## **Management and delivery of environmental water consistent with Basin Plan**

Victoria's Statement of Assurance indicated that management and delivery of planned and held environmental had been undertaken consistent with the Basin Plan, including the Principles to be applied in environmental watering (Victorian Government 2016).

Held environmental water is managed by the VEWB in collaboration with Commonwealth agencies, such as the CEWH. Publicly available information from the VEWB and MDBA websites confirm that environmental watering that occurred during 2015–16 was broadly consistent with the Victorian Seasonal Watering Plan and with the 2015–16 Basin annual environmental watering priorities.

## **Consultation on environmental watering**

Victoria's statement of assurance notes that engagement and coordination occurs between environmental water holders and delivery partners (including land managers, policy makers, storage managers and river operators) on a regular and ongoing basis throughout the planning and delivery of environmental water (Victorian Government 2016).

Victoria's statement of assurance, and the VEWB's seasonal water plan (VEWH 2016) detail the key stakeholders consulted in relation to environmental water planning and use including:

- the CEWO
- the MDBA (through delivery of The Living Murray water)
- catchment management authorities
- operations advisory groups and technical working groups
- established environmental water groups
- Indigenous stakeholders
- land management agencies

- private landholders
- community reference groups
- water authorities
- local government and contractors.

### **Long-term environmental watering plans**

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 Victoria, long-term environmental watering plans (LTWP) for surface water resource plan areas have been developed consistent with the requirements of the Basin Plan.

The Basin-wide environmental watering strategy was released on 24 November 2014. Victoria's statement of assurance confirmed that LTWP for Northern Victoria, the Victorian Murray and the Wimmera-Mallee were completed and submitted to the MDBA in December 2015 (Victorian Government 2016). The LTWPs are not currently publicly available.

The department notes that the MDBA has provided advice to Victoria on areas for LTWP improvement. These areas include more clearly linking and aligning the content of the LTWPs with the objectives of the Environmental Water Plan (Basin Plan, Chapter 8), and including further detail on cooperative arrangements between and within water resource plan areas, including those in the River Murray.

Victoria has advised that further work towards making the LTWPs 'fit for purpose' will occur through the monitoring and evaluation planning being undertaken by Victoria in 2016. Arrangements for the Murray continue to be worked through with South Australia and New South Wales, as the New South Wales LTWP for the Murray develops.

### **Supply measures projects**

Victoria has provided descriptions of supply measure projects where feasibility and business cases were being developed for consideration under the SDL adjustment mechanism.

Victoria's Statement of Assurance confirms that they are progressing Victoria's supply measure proposals, and are working to resolve issues raised by other jurisdictions during the assessment process. A list of the current project descriptions can be found at on the MDBA website.

# Appendix 1: Schedule A to the 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 6).

**Table 6 Schedule A to the National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin**

Date due	Milestones	Proportion of annual payment
<b>2013–14 only</b>		
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 (Table 1 refers)
<b>2013–14 only</b>		
By 28 February 2014 (or first working day thereafter)	<p>2. The State has supported the Commonwealth in Bridging the Gap, as measured by:</p> <ul style="list-style-type: none"> <li>(a) confirmation that no restrictions were introduced on the trade of water access entitlement, except where consistent with the Basin Plan water trading rules; and</li> <li>(b) confirmation that no action has been taken to impede Commonwealth measures to acquire water for environmental purposes; and</li> <li>(c) 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</li> <li>(d) 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</li> </ul> <p>3. 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; and</p>	100% of Payment 2 for 2013–14 (Table 1 refers)

Date due	Milestones	Proportion of annual payment
	<p>4. The State has cooperated in arrangements for Basin Plan environmental watering, as measured by:</p> <ul style="list-style-type: none"> <li>(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; and</li> <li>(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"> <li>(i) the delivery of held environmental water in-stream through arrangements such as water shepherding to facilitate environmental flows; and</li> <li>(ii) further use of environmental water at multiple locations along the river, such as through return flow provisions; and</li> </ul> </li> <li>(c) confirmation that the Authority has been provided with annual environmental watering priorities, consistent with the Basin Plan; and</li> <li>(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"> <li>a. the environmental watering plan's Principles to be applied to environmental watering; and</li> <li>b. 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</li> </ul> </li> <li>(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</li> <li>(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</li> </ul>	

Date due	Milestones	Proportion of annual payment
	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.	
<b>2014–15 to 2019–20</b>		
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"> <li>(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</li> <li>(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</li> <li>(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</li> <li>(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</li> <li>(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</li> </ul> <p>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.</p> <p>8. The State has cooperated in arrangements for Basin Plan environmental watering, as measured by:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(b) Where feasible and agreed by the relevant Basin State, and where associated third party impacts have been</li> </ul>	100%



Date due	Milestones	Proportion of annual payment
	<p>considered, 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"> <li>(i) the delivery of held environmental water in-stream through arrangements such as water shepherding to facilitate environmental flows; and</li> <li>(ii) further use of environmental water at multiple locations along the river, such as through return flow provisions; and</li> </ul> <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"> <li>a. the environmental watering plan's Principles to be applied to environmental watering; and</li> <li>b. 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</li> </ul> <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.</p> <p>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.</p>	

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