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Land, Water and Planning

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Mr Phillip Glyde  
Chief Executive  
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GPO Box 1801  
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Ref: SBR009096  
A document from the Department of Environment, Land, Water and Planning

Dear Mr Glyde

*Phillip*

**VICTORIAN BASIN PLAN ANNUAL REPORTING FOR WATER YEAR 2016-17**

In accordance with the requirements of Section 13.14 of the Murray-Darling Basin Plan, Part 3 Clause 13(b) of the 2013 National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin and Part 9 Clause (iv) of the Murray-Darling Basin Plan Implementation Agreement 2013, I am pleased to enclose Victoria's completed Basin Plan Information Collection Template for Water Year 2016-17.

The information presented in the attached template can be used for assessment against the tasks listed in Schedule A of the National Partnership Agreement, and also those listed in the Basin States' Schedule of the Implementation Agreement, which includes reference to Schedule 12 reporting requirements.

Victoria's 2016-17 Basin Plan Information Collection Template is presented in a manner consistent with the request of your staff. To the best of my knowledge the information is both true and correct, and accurately reflects the extent to which Victoria is compliant with our obligations under both the 2013 National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin and the Murray-Darling Basin Plan Implementation Agreement 2013.

For your information, a copy of this letter and Victoria's 2016-17 Basin Plan Information Collection Template have also been forwarded to the Department of Agriculture and Water Resources.

If you have further questions regarding this matter, please contact Mr Adrian Spall, Director Water Information Management, Department of Environment, Land, Water and Planning on (03) 9637 9238 or email [adrian.spall@delwp.vic.gov.au](mailto:adrian.spall@delwp.vic.gov.au).

Yours sincerely

**Christine Wyatt**  
Acting Secretary

*21 / 8 / 17*

Encl.

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## The Victorian 2016-17 annual report to satisfy annual reporting obligations for:

- Basin Plan Schedule 12 responses (except Matter 9 – use of environmental water)
- National Partnerships Agreement assurance of milestone achievement
- Basin Plan Implementation Agreement self-assessment of compliance with implementation tasks

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## Reporting context

This template provides a single Commonwealth information collection point, that covers Basin State 2016-17 annual reporting obligations in relation to the Murray-Darling Basin Plan for:

- Basin Plan Schedule 12
- the Basin Plan Implementation Agreement compliance requirements
- the milestone assessments of the National Partnership Agreement (NPA) on Implementing Water Reform in the Murray-Darling Basin

Reporting for Schedule 12 Matter 9 (the identification and use of environmental water) is reported separately.

The Department of Agriculture and Water Resources will use the information provided in this template as well as multiple other sources to meet NPA reporting requirements. Reporting against NPA milestone 6c is not required as information will be gathered from within the Department. Where milestones have not been met, or not fully met, Basin states should indicate whether they intend to meet the milestone in the future and if not, provide the rationale. Where applicable, describe any intended actions and planned timeframe for the milestone to be met. The Department will seek collaborating information from the MDBA and Commonwealth Environmental Water Office where necessary.

## A. Local Knowledge and Stakeholder Engagement

| Reporting Matter   | Supporting evidence to be provided by Basin States   | Response (response/milestone achievement/compliance status)   |
|--|--|---|
| <b>The extent to which local knowledge and solutions inform the implementation of the Basin Plan</b>   |  |   |
| <p><b>A1</b> The outcome of engagement on the implementation of the Basin Plan</p> <p><i>Applicable to Schedule 12, Matter 6, Indicator 6.1 and NPA 8e</i></p> | <p>Provide a descriptive statement. Where possible include:</p> <ul style="list-style-type: none"> <li>• How local knowledge and solutions were used</li> <li>• How involving communities made a difference to Basin Plan implementation</li> <li>• How decisions changed as a result of community involvement</li> <li>• How 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</li> <li>• Local knowledge might include knowledge drawn from Traditional Owners and other Aboriginal people and groups</li> <li>• When reporting on Aboriginal participation and influence, remember processes of involvement may be as important as outcomes.</li> </ul> <p>In 2016/17 reporting, we would expect use of local knowledge to feature in development of Water Resource Plans and the management of environmental water.</p> <p>Examples or case studies are not mandatory, but may be a useful way to describe how local knowledge and solutions inform implementation of the Basin Plan.</p> | <p><b>Development of business cases for works-based supply measures</b></p> <p>Business cases were submitted in January 2015 for the Commonwealth government's assessment. North Central CMA has established the Gunbower Island Community Reference Group and Guttrum-Benwell Community Reference Group as the main conduit of information regarding the environmental works projects. Community members have provided valuable historical information about the flooding of areas, including where water moves through the forests, and historical uses. Engagement with landowners and community groups continued through 2016/17.</p> <p>Engagement with Traditional Owners by both Mallee CMA and North Central CMA has strengthened understanding of cultural values and the need to undertake environmental flows work to rehabilitate specific wetlands. Both North Central CMA and Mallee CMA have begun the development of Cultural Heritage Management Plans for the environmental works projects, with the Mallee CMA Cultural Heritage Management Plan for Hattah Lakes North commencing in 2016 and Belsar-Yungera, Nyah, Vinifera, Burra Creek and Lindsay commencing in 2017.</p> <p><b>Constraints Management Strategy</b></p> <p>Consistent with the Communications and Engagement Plan developed for Phase 2 of the Goulburn Constraints Measure Business Case, open house sessions were held in August 2015 and January 2016 to discuss and seek feedback on the project. These engagement activities were led by the MDBA and Goulburn-Broken CMA. Feedback received during these sessions has been incorporated into the business case for the Goulburn constraints measure. No further consultation occurred in 2016/17 as the project was in evaluation stage.</p> <p><b>Environmental water management</b></p> <p>In 2016-17, 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 Victorian Environmental Water Holder's (VEWH) seasonal watering plan, which set the scope of potential environmental watering across Victoria for the water year.</p> <p>Engagement occurs with a broad range of interested parties, including through established environmental water advisory groups (EWAGs), Traditional Owner groups, community groups, committees of management, and through direct engagement with interested individuals and private landholders. Information obtained through this engagement, such as observations, monitoring results and risk identification and management, is used to shape the implementation of environmental watering. Further to these regional engagement activities, the VEWB engages regularly with statewide peak bodies and stakeholders, including Environment Victoria, the Victorian Farmers Federation, the Federation of Victorian Traditional Owners Corporation, the Field and Game Association, Fisheries Victoria, VRFish (Victorian Recreational Fishing peak body) and the Game Management Authority.</p> <p>Community engagement is used in the development of environmental water management plans (EWMPs), (which are asset-based and underpin long term watering plans) to gain input and feedback on all or a selection of:</p> |

| Reporting Matter | Supporting evidence to be provided by Basin States | Response (response/milestone achievement/compliance status)   |
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|                  |  | <ol style="list-style-type: none"> <li>1. identification of the asset's ecological values;</li> <li>2. the long-term management goal for environmental watering of the asset;</li> <li>3. the ecological objectives for environmental watering; and</li> <li>4. the environmental watering requirements (as is appropriate for a particular asset and stakeholder).</li> </ol> <p>In 2016-17 one EWMP was completed in the Loddon system.</p> <p><b>Victoria's Water Resource Plans</b></p> <p>Victoria's water resource plans are being developed in partnership with water corporations and catchment management authorities and in consultation with environmental managers, Traditional Owners, industry bodies, local government and Basin communities.</p> <p>During 2016-17 the Victorian Government prepared a draft Water Resource Plan for the Wimmera-Mallee surface and groundwater areas as part of our implementation of the Murray-Darling Basin Plan. The draft plan outlines how we are meeting our Basin Plan requirements for the region, including an explanation of the region's water resources, and our existing water management framework. Local input has been crucial in the development of the Draft WRP and has included the following:</p> <ul style="list-style-type: none"> <li>• A technical reference group established to oversee the development of risk assessments for each of our WRP areas. A technical working group and risk advisory panel worked to identify and consider the risks to water and highlight the most significant threats. The expert reference panel included representation from water businesses, catchment management authorities, the Victorian Environmental Water Holder, VicWater, the Department of Environment, Land, Water and Planning, and technical experts. In addition, Aboriginal peak body Murray Lower Darling Rivers Indigenous Nations (MLDRIN) was represented on the panel, and the Victorian Farmers Federation, which expressed an interest, was invited as an observer.</li> <li>• A technical advisory group established to inform and review content developed as part of the WRP including regional urban and rural water authorities, CMAs, the Victorian Environmental Water Holder, MLDRIN, Victorian Farmers Federation and the Wimmera Development Association representing five shire councils</li> <li>• The Victorian Government is now seeking wider community input and feedback to inform the final Wimmera-Mallee Water Resource Plan. This has been delivered through the public release of documents on <a href="http://engage.vic.gov.au">engage.vic.gov.au</a>, local advertising and conduct of community information sessions in the regional centres of Horsham and St Arnaud. A 90 day consultation period is currently open.</li> </ul> <p>The Northern Victoria WRP, covering the Victorian Murray and Northern Victoria surface water areas and Goulburn-Murray groundwater area, will follow the Wimmera-Mallee Plan in its development. Local engagement is well underway and has included the following:</p> <ul style="list-style-type: none"> <li>• Throughout 2016-17, the Water Resource Plan project team presented to a number of key stakeholders, and had one-on-one briefings with several external stakeholders, contributing to its approach of continual engagement with key stakeholders.</li> <li>• Formation of a technical advisory group is well underway.</li> <li>• The Water Resource Plan project team and Victoria's Aboriginal Water Unit have been in regular discussions throughout the 12-month period with MLDRIN and Traditional Owners</li> </ul> |

| Reporting Matter  | Supporting evidence to be provided by Basin States  | Response (response/milestone achievement/compliance status)  |
|---|---|--|
|   |   | <p>about cultural values and uses, and possible approaches to meet the requirements for the Basin Plan. Ongoing water resource plan consultation, including cultural values case studies, will be coordinated through the DELWP Aboriginal Water Program and with existing CMA programs.</p>   |
| <p><b>A2</b> Processes used to identify stakeholders and other relevant groups and individuals from local communities and peak bodies</p> <p><i>Applicable to Schedule 12, Matter 6, Indicator 6.2 and NPA 8e</i></p> | <p>Provide a descriptive statement. Where possible include:</p> <ul style="list-style-type: none"> <li>Processes used to identify stakeholders and other relevant groups and individuals</li> </ul> | <p><b>Work-based supply measures</b></p> <p>Stakeholders and other relevant groups and individuals were identified during development of business cases for the nine work-based supply measures. Communication and engagement activities have continued as the projects progress. These activities are led by the Mallee and North Central CMAs and are specifically designed to meet the needs of different stakeholder groups and individuals.</p> <p><b>Constraints Management Strategy</b></p> <p>Key stakeholders in Victoria's Goulburn-Broken catchment region with a material interest in the MDBA's Constraints Management Strategy (CMS) were identified during 2014-15. During 2015-16, DELWP continued to work closely with the Goulburn-Broken CMA to engage these stakeholders via two sub-catchment-based community working groups and a catchment-level 'leaders' working group, and two rounds of 'open house' sessions (August 2015 and January 2016). No further consultation occurred in 2016/17 as the project was in evaluation stage.</p> <p><b>Seasonal watering proposals, management of environmental water and long-term watering plans</b></p> <p>Victoria's catchment management authorities (CMAs) have an established network of stakeholders from local communities and peak bodies that are engaged on a range of issues, including the development and implementation of regional waterway strategies, environmental water management plans and annual seasonal watering proposals.</p> <p>These networks have been established for many years and have been an effective mechanism to engage with local communities. In more recent years, as the environmental water portfolio has expanded, some CMAs have established specific environmental watering advisory groups (EWAGs) through public advertisements, nominations and/or recommendations. In some instances, additional stakeholders have also been identified as opportunities require.</p> <p>CMAs have adopted a range of methods to encourage participation from community and stakeholder groups. This includes identifying individuals or groups that stand to be directly affected by the environmental water management of an asset, or groups that have a keen interest in the areas being managed. Key contacts may be identified by CMA staff or through existing stakeholders such as local boards and advisory groups. Sites that have been the subject of extensive investigations or previous works tend to have existing networks of community contacts that CMAs will directly invite to participate in new EWAGs or other relevant groups that may be established. Consideration is given to the level of interest or involvement the stakeholder may have,</p> |

| Reporting Matter   | Supporting evidence to be provided by Basin States   | Response (response/milestone achievement/compliance status)  |
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|  |  | <p>which will inform the level and purpose of the engagement. Following stakeholder analysis, an action plan is developed that outlines which stakeholders the CMA will engage with, and the method of communication. Contacts are invited to participate, and in some cases asked to advise of others that might be interested in participating. For some CMAs, invitations are also extended to the general community through flyers and pamphlets at local meeting places.</p> <p><b>Victoria's Water Resource Plans</b></p> <p>See Reporting Matter A1, above.</p>   |
| <p><b>A3</b> How stakeholders and other relevant groups and individuals were engaged</p> <p><i>Applicable to Schedule 12, Matter 6, Indicator 6.3 and NPA 8e</i></p> | <p>Provide a descriptive statement. Where possible include:</p> <ul style="list-style-type: none"> <li>• The range of audiences engaged</li> <li>• The range of opportunities (types of engagement)</li> </ul> <p>Relate these to the Basin Plan obligations to have regard to local views (for eg, in relation to Chapter 8 (environmental watering); and 10 (water resource planning))</p> | <p><b>Work-based supply measures</b></p> <p>Mallee and North Central CMA staff have engaged with the community through a range of mediums, such as presentations at meetings with stakeholder agencies (including delivery partners) and the distribution of fact sheets. Updates on projects were also given through social media, including Twitter and Facebook, and CMA website updates. In North Central CMA, targeted engagement of nearby landholders was a key activity to ensure that all concerns were captured. The Mallee CMA has engaged a dedicated resource for planning and organising community consultation and engagement activities required in order to progress priority projects. DELWP is currently awaiting further funding to progress detailed designs and the next stage of stakeholder/community consultation.</p> <p><b>Constraints Management Strategy</b></p> <p>In the Goulburn-Broken catchment, three community advisory groups convened by the MDBA in 2013 met several times in 2015 and 2016. This offered an important conduit for both community input to assist the MDBA and in return, for communities to access the information necessary to enable individuals to make informed judgements about the Constraints Measure Business Case. This was in addition to the open house sessions outlined above, and consultation with other agencies as required. CMS feedback from the community has indicated that the proposed target flows and risk management buffers are a concern to some sections of the community, which was captured in the option recommended in the business case, and the associated risk assessment and proposed further investigations. No further consultation occurred in 2016/17 as the project was in evaluation stage.</p> <p><b>Seasonal watering proposals, management of environmental water and long-term watering plans</b></p> <p>Through Victoria's long-term regional waterway strategies, which are updated every 8 years, local communities are consulted about priority waterways, the values to be targeted for investment, and the priority management activities that are subsequently identified including, where possible, environmental watering.</p> |



| Reporting Matter | Supporting evidence to be provided by Basin States | Response (response/milestone achievement/compliance status)  |
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|                  |  | <p>During the development of environmental water management plans (EWMPs) (which are key asset-based input to Victoria's long-term watering plans), CMAs consult with local communities and stakeholders in order to gain input and feedback on all or a selection of the following (as the CMA sees appropriate for a particular asset and stakeholder): identification of the asset's ecological values; the long-term management goal for environmental watering of the asset; the ecological objectives for environmental watering; and the environmental watering requirements.</p> <p>Victorian waterway managers also consult with a range of groups and individuals each year in relation to environmental water planning and use. This consultation varies across the state and includes engagement with technical advisory groups, established environmental water groups, indigenous stakeholders, land manager agencies, private landholders, community groups, community members, committees of management, water corporations, river operators, water holders, local government and contractors (for water delivery).</p> <p>Engagement occurs through a range of mechanisms, including through site visits and events at particular wetlands (such as canoeing or bird watching days), bus trips, formal meetings, one-on-one engagement with landholders and individuals, and through a variety of communication mechanisms, including social media, newsletters, newspaper advertisements and through local radio.</p> <p>In addition to engaging with community organisations, 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. This includes through annual environmental water planning forums, regular meetings between water holders regarding water commitments, convening of operational advisory groups during the planning and implementation of large-scale watering actions, and other activities.</p> <p><b>Victoria's Water Resource Plans</b></p> <p>See Reporting Matter A1, above.</p> |

## B. Environmental Watering

| Reporting Matter  | Supporting evidence to be provided by Basin States   | Response (milestone achievement/compliance status)   |
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| <b>The implementation of the environmental management framework (Part 4 of Chapter 8)</b>   |  |  |
| <p><b>B1</b> Long-term watering plans were prepared, with the required content, published, reviewed and updated as obligated under Part 4 of Chapter 8, Divisions 3.</p> <p><i>Applicable to Schedule 12, Matter 10, Indicator 10.1; NPA 8f and BPIA 18.1</i></p> | <p>What progress has the Basin State made in preparing long-term watering plans for each surface water resource plan area as agreed?</p> <p>[Background: Each Basin State will prepare long-term watering plans aligning with the Plan's surface water resource plan areas.</p> <p>The level of detail in a long-term watering plan will vary according to local conditions, levels of development and regulation, the influence on other water resources, and statutory and other arrangements prevailing in the surface water resource plan area.</p> <p>A long-term watering plan may provide that an existing or other specified instrument or text comprises or is part of a Basin State's plan.</p> <p>The plans will be developed by dates agreed between the MDBA and each Basin State.</p> <p>The MDBA and each Basin State will separately agree on what further material would be required for each of the State's long-term watering plans. As part of this, the MDBA and each Basin State will also agree on the standards required for this material.]</p> | <p>Victoria's long-term watering plans (LTWPs) for Northern Victoria, the Victoria Murray and the Wimmera-Mallee were completed and submitted to the MDBA in Dec 2015, in accordance with Basin Plan chapter 8 Division 3.</p> <p>These plans will be reviewed or updated according to clause 8.22 of Basin Plan, most likely in 2020.</p> <p>The plans are available at: <a href="https://www.water.vic.gov.au/waterways-and-catchments/rivers-estuaries-and-waterways/environmental-water#Effective_management_of_the_Environmental_Water_Reserve-2">https://www.water.vic.gov.au/waterways-and-catchments/rivers-estuaries-and-waterways/environmental-water#Effective_management_of_the_Environmental_Water_Reserve-2</a> under 'effective management of the Environmental Water Reserve'.</p> |
| <p><b>B2</b> Annual priorities were prepared, with the required content, published, reviewed and updated as obligated under Part 4 of Chapter 8, Divisions 4</p> <p><i>Applicable to Schedule 12, Matter 10, Indicator 10.1; NPA 8c and BPIA 19.1</i></p>         | <p>Were annual environmental watering priorities (AEWP) or other relevant instruments submitted as agreed with the MDBA, for the purposes of identifying the Basin annual environmental watering priorities for the water resource plan areas?</p> <p>[Background: The level of detail for annual environmental watering priorities will vary according to local conditions, levels of development and regulation, influence on other water resources and statutory and other arrangements in the water resource plan area.</p> <p>The principle of fit for purpose management will inform the development and assessment of annual environmental watering priorities by Basin States and the MDBA respectively.]</p>  | <p>The Victorian Government presented Victoria's annual environmental watering priorities to the Murray-Darling Basin Authority, for consideration in developing the Basin annual environmental watering priorities on 6 June 2017.</p> <p>These priorities reflect the proposed watering actions outlined in the VEWH's Seasonal Watering Plan 2017-18, which can be found at: <a href="http://www.vewh.vic.gov.au/watering-program/seasonal-watering-plan">http://www.vewh.vic.gov.au/watering-program/seasonal-watering-plan</a></p>  |



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| <p><b>B3</b> Watering strategies, plans and priorities are prepared consistently with Part 4 of Chapter 8, in relation to coordinating, consulting and cooperating with other Reporters and the matters to which regard must be had (Chapter 8, Part 4)</p> <p><i>Applicable to Schedule 12, Matter 10, Indicator 10.2; NPA 8c, 8d and 8f and BPIA 20.1</i></p> | <p>Describe how coordination, consultation and cooperation occurred, including with other governments, was undertaken in preparing watering strategies, plans and priorities.</p> <p>Describe how coordination, consultation and cooperation made a difference.</p> <p>Also describe how regard was had for particular matters as obligated in Part 4 of Chapter 8</p>  | <p>The Victorian environmental water legislation and planning framework applies principles consistent with the principles identified in Chapter 8, Parts 2 and 4, including identifying environmental watering priorities, maximising environmental benefits from all available water, undertaking consultation with stakeholders and the community, coordinating with other water holders, assessing and managing risks, and applying adaptive management principles.</p> <p>The Victorian Environmental Water Holder (VEWH) Seasonal Watering Plan 2016-17 (the Plan) identifies the annual environmental watering priorities (AEWPs) for all Victorian rivers, wetlands and floodplains. The Plan identifies the Water Holdings available in each system, including those held by other water holders. In identifying the environmental water demand in each system, consideration is given to all water sources that may contribute to the achievement of environmental objectives, including environmental water entitlements (all water holders), rules-based water, consumptive water en route and unregulated flows. Information provided in the Plan is consistent with environmental water management plans (EWMPs), which feed into long term watering plans (LTWPs). EWMPs identify the ecological values and long-term environmental water requirements of each site or system.</p> <p>Victorian waterway managers consult with a range of groups and individuals in relation to environmental water planning and use, as described under matter A3.</p> <p>Throughout the planning for environmental watering, engagement and coordination between environmental watering program partners – including environmental water holders, land managers, storage managers and river operators – occurs on a regular and ongoing basis. This includes environmental water planning forums and operational advisory groups (during the planning and implementation of large-scale watering actions), regular meetings between water holders to negotiate environmental water commitments, and collaboration through the Southern Connected Basin Environmental Watering Committee.</p> |
| <p><b>B4</b> How Environmental watering principles were applied consistent with Chapter 8, Part 4, Division 6.</p> <p><i>Applicable to Schedule 12, Matter 10, Indicator 10.3; NPA 8a, 8b and 8d and BPIA 20.2</i></p>  | <p>Provide at least one case study that demonstrates how environmental watering principles were applied and identify the relevant principles.</p> <p>Provide reasons for any environmental watering that was not in accordance with annual watering priorities (please provide answer in the <i>statement of reasons</i> table at bottom of this document).</p> <p>Confirmation that the characteristics of licensed entitlements held for environmental use have not been enhanced or diminished relative to like entitlements held for other purposes.</p> <p>Where feasible and agreed by the relevant basin state, confirm that measures have been implemented to facilitate the use of environmental water through water shepherding and return flow provisions.</p> | <p>Refer to fish movement case study (<b>Attachment 1</b>).</p> <p>Reasons for environmental watering that is not in line with the annual watering priorities is provided under item 7 in the <i>statement of reasons</i> table at the bottom of this document.</p> <p>In 2016-17 there were no changes to the characteristics of entitlements held for environmental use.</p> <p>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.</p>   |

## C. Water Quality and Salinity Management

| Reporting Matter  | Supporting evidence to be provided by Basin States   | Response (milestone achievement/compliance status)   |
|---|--|--|
| <b>Implementation of the water quality and salinity management plan, including the extent to which regard is had to the targets in Chapter 9 when making flow management decisions.</b> |  |  |
| <p><b>C1</b> Regard had to the targets in s9.14 when managing water flows</p> <p><i>Applicable to Schedule 12, Matter 14, Indicator 14.1 and BPIA 21.1</i></p>                          | <p>Provide a summary of how your State 'had regard' to water quality targets when managing water flows, including a statement that procedures and tools were in place, and how these were used in the reporting year. Provide a case study where possible.</p> | <p>Under s41(2) of the Water Industry Act 1994 (Vic), the Minister for Water issues a Statement of Obligations (SOO), which specifies the obligations of water corporations in relation to the performance of their functions and exercise of their powers. The current SOO was updated by the Victorian Minister for Water on 20 December 2015. It applies to the water corporations operating in the state's share of the Murray-Darling Basin:</p> <p><a href="https://www.water.vic.gov.au/__data/assets/pdf_file/0015/54330/Statement-of-Obligations-General.pdf">https://www.water.vic.gov.au/__data/assets/pdf_file/0015/54330/Statement-of-Obligations-General.pdf</a></p> <p>Part 5 of the SOO requires Victorian water corporations to ensure that the risks associated with the functions they perform and the services they provide are identified, assessed, prioritised and managed. This includes the development of a specific emergency management plan for risks to water quality and discrete requirements for reporting on any blue green algae blooms impacting on water supply or delivery services.</p> <p>Goulburn-Murray Water (GMW) and Grampians Wimmera Mallee Water (GWMWater) are the Victorian water corporations responsible for storage operations and bulk water supply within the northern Victoria and Wimmera-Mallee (surface water) water resource plan areas respectively. Note both GMW and GWMWater generally use the term blue-green algae (BGA) in operations instead of cyanobacteria.</p> <p><u>GMW response</u></p> <p>GMW had regard to the <b>dissolved oxygen targets</b> of section 9.14(5)(a) by:</p> <ul style="list-style-type: none"> <li>• Maintaining the minimum flow provisions of the bulk entitlements for the Ovens, Broken, Goulburn, Campaspe and Loddon bulk entitlements</li> <li>• Contributing to the real-time and spot monitoring of dissolved oxygen concentrations at locations along the Victorian tributaries to the River Murray (eg Rice's Weir, Goulburn Weir)</li> <li>• Including dissolved oxygen concentration data in daily data used for operational planning</li> <li>• Distributing regular external reports on dissolved oxygen concentrations at strategic locations and issuing extra reports as data trended towards target levels</li> <li>• Participating in operations advisory groups for environmental watering events including the Barmah-Millewa Forest, Gunbower Forest and Hattah Lakes</li> </ul> |

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|  |  | <ul style="list-style-type: none"> <li>• Maintaining the availability of the 30 gigalitre reserve in the Goulburn system for mitigation of poor water quality</li> </ul> <p>GMW had regard to the <b>recreational water quality targets</b> of section 9.14(5)(b) by:</p> <ul style="list-style-type: none"> <li>• Operating as the delegated Regional Coordinator for blue-green algae (BGA) management across northern Victorian water systems</li> <li>• Participating in the Murray Regional Algal Coordinating Committee (MRACC) convened by the NSW Department of Primary Industries</li> <li>• Maintaining regional BGA management plans for northern Victorian water systems</li> <li>• Maintaining local BGA management for GMW-operated water storages and irrigation areas</li> <li>• Contributing to the monitoring of BGA concentrations at key locations in Victorian tributaries to the River Murray</li> <li>• Distributing regular external reports on BGA concentrations at key locations and issuing extra reports (including media releases for public information) as data trended towards target levels</li> <li>• Maintaining the availability of the 30 gigalitre reserve in the Goulburn system for mitigation of poor water quality.</li> </ul> <p>GMW had regard to the <b>salinity targets</b> of section 9.14(5)(c) by:</p> <ul style="list-style-type: none"> <li>• Maintaining the minimum flow provisions of the bulk entitlements for the Ovens, Broken, Goulburn, Campaspe and Loddon bulk entitlements</li> <li>• Contributing to the monitoring of salinity concentrations (real-time and spot measurement) at locations along the Victorian tributaries to the River Murray (eg Rice's Weir, Goulburn Weir)</li> <li>• Including salinity concentration data in daily data used for operational planning</li> <li>• Participating in operations advisory groups for environmental watering events including the Barmah-Millewa Forest, Gunbower Forest and Hattah Lakes as appropriate.</li> </ul> <p><u>GWMWater response</u></p> <p>Within the Avoca River Catchment, GWMWater has no ability to influence dissolved oxygen or blue green algae (BGA) concentrations as it does not own or maintain infrastructure that harvests, stores, and releases or otherwise regulates water. Flows that occur are highly variable from year to year and terminate at Lake Buloke near the town of Donald.</p> <p>Within the Wimmera River Catchment, GWMWater owns and operates a number of headwork storages that harvest, store and release water in accordance with a number of bulk and environmental entitlement arrangements. This water supply system often has variable water quality and highly variable stream flow characteristics.</p> |
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|   |   | <p>GWMWater had regard to <b>dissolved oxygen targets</b> of section 9.14(5)(a) by:</p> <ul style="list-style-type: none"> <li>• Releasing Victorian Environmental Water Holder authorised water to the Wimmera River and its tributaries in accordance with requests received from the Wimmera Catchment Management Authority;</li> <li>• Contributing to waterway monitoring at various locations, including locations at which dissolved oxygen is continuously monitored;</li> <li>• Recognising that it owns and operates a number of deep storages that may produce cold water and low dissolved oxygen impacts in downstream waterways; and</li> <li>• Ensuring that water quality remains a key objective and is properly considered within relevant storage management rules so that water is fit for purpose for urban, industrial, stock and domestic and environmental use.</li> </ul> <p>GWMWater had regard to the <b>recreational water quality targets</b> of section 9.14(5)(b) by:</p> <ul style="list-style-type: none"> <li>• Developing and continuously updating a range of procedures and policies that are used to detect, identify and deal with BGA within its water storages including headworks storages;</li> <li>• Undertaking regular water sampling to monitor for and detect BGA outbreaks;</li> <li>• Operate as the delegated regional coordinator for BGA management;</li> <li>• Distribute regular internal and external reports and information about BGA outbreaks including media releases and signage</li> </ul>  |
| <p><b>C2</b> Regard had to the targets in s9.14 when making decisions about the use of environmental water</p> <p><i>Applicable to Schedule 12, Matter 14, Indicator 14.2 and BPIA 21.1</i></p> | <p>Provide a summary of how your State 'had regard' to the targets in s9.14 when making decisions about the use of environmental water. Include a statement that procedures and tools were in place, and how these were used in the reporting year.</p> <p>Provide a case study where possible.</p> | <p><b>Environmental water management plans and icon site operating plans</b></p> <p>Catchment Management Authorities (CMAs) across Victoria, in collaboration with communities and agencies, have developed over 48 long-term Environmental Water Management Plans (EWMPs) and four Icon Site Operating Plans to guide environmental watering activities at rivers, wetlands and floodplains across the State. These plans outline the values, objectives, watering requirements of the sites and operating strategies. They also summarise key risks that may impact on the ability to achieve objectives (including risks to water quality).</p> <p><b>Watering proposals</b></p> <p>Risks related to watering, including those related to water quality, are identified and assessed in site-based seasonal watering proposals, developed annually by CMAs. These proposals draw on the risks outlined in EWMPs and operating plans and identify specific actions to mitigate these risks.</p> <p><b>Victorian environmental watering program shared risk management framework</b></p> <p>A shared risk management framework has been developed which incorporates all partners in the environmental watering program. The framework aims to further develop and improve understanding of current risk management approaches used by different organisations, in addition to improving the management of inter-agency risk.</p> <p>In February 2016 a joint risk workshop was held in northern Victoria, bringing together waterway managers, storage managers and land managers. The workshop focused on identifying and</p> |

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|  |  | <p>analysing shared risks and determining potential mitigating actions, including determining each agencies responsibilities in the management of these shared risks. These risks and mitigating strategies were incorporated in the CMAs Seasonal Watering Proposals and Victoria's Seasonal Watering Plan 2016-17. This collaborative approach to risk management highlighted the importance of early and regular communication and cooperation between organisations in managing risk to ensure successful delivery of the Victorian environmental watering program.</p> <p><b>Modelling and technical assessment</b></p> <p>Modelling and technical assessments are undertaken at higher risk sites to inform the most appropriate environmental delivery regimes and identify potential mitigating strategies. This has included salinity modelling and technical assessments.</p> <p><b>Monitoring</b></p> <p>Targeted monitoring is undertaken during the planning and delivery of watering actions that pose potential risks (such as salinity or blackwater). This monitoring complements water quality information collected by MDBA River Management for the River Murray. During events, data and outcomes from this monitoring are presented at Operational Advisory Group (OAG) meetings, which include environmental water managers, river operators, storage managers, water holders, and land managers, to inform operational management decisions and the implementation of risk mitigation strategies.</p> <p>An example of having regard for water quality targets occurs in Lower Broken Creek. Lower Broken Creek is highly regulated and water is delivered from the Goulburn and Murray systems to support irrigation. Due to regulation, Lower Broken Creek retains fairly constant levels all year and as a consequence it supports abundant native fish including Murray cod. A major threat to the creek is low dissolved oxygen (DO) in summer and consequently there are environmental flow objectives to maintain DO above 5 mg/L from October to May, particularly in summer when temperatures rise.</p> <p>Dissolved oxygen is measured at multiple sites at the end of the system (Rices Weir and associated weir pool) and where possible flows are adjusted to maintain dissolved oxygen concentrations within acceptable levels. In January 2017, work was undertaken to improve confidence in data provided by dissolved oxygen sensors at Rices Weir.</p> <p>From late October 2016 the required flows were met by regulated flows to meet irrigation demand combined with environmental water. An operational advisory group with representatives from the VEWH, CEWO, MDBA, GMW and GBCMA provides a coordinated forum to discuss and resolve issues with environmental water planning and delivery, including management of DO.</p> |
| <p><b><i>Application of salinity targets for the purposes of long-term salinity planning and management (Refers compliance status with section s9.19 of the Basin Plan).</i></b></p> |  |   |

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| <p><b>C3</b> Apply salinity targets in the Murray–Darling Basin Agreement for salinity planning and management.</p> <p><i>Applicable to Schedule 12, Matter 14 and BPIA 23.1</i></p> | <p>The MDBA, the BOC, and Basin States are to undertake any long-term salinity planning and management functions in accordance with the targets in Appendix 1 of Schedule B of the Murray-Darling Basin Agreement (including the Basin Salinity Management Strategy Operational Protocols).</p> <p>Please indicate how this is done.</p> | <p>The State's fulfilment of planning and management functions for the targets in Appendix 1 of Schedule B have been reported through Victoria's Basin Salinity Management 2030 Strategy (BSM2030) Annual Status Report 2015/16 to the Murray-Darling Basin Authority (MDBA).</p> <p>The State is currently preparing a full BSM2030 Biennial Report for 2015-17, which will be submitted to MDBA in October 2017 and subsequently audited by the Independent Audit Group (IAG) for Salinity. Victoria has an excellent track record of compliance with Schedule B of the Murray-Darling Basin Agreement, as confirmed by the Report of the IAG for Salinity 2014-15, dated January 2016.</p> |
| <p><b>Water quality and salinity trigger points</b></p>  |  |   |
| <p><b>C4</b> Determine whether the trigger is reached.</p> <p><i>Applicable to BPIA 26.1</i></p>   | <p>The Guideline for the triggers and processes for changing water sharing Tiers provides guidance on how the MDBA and Basin States should communicate if the triggers are reached.</p> <p>Please indicate if a trigger was reached and if so, what action was taken.</p>  | <p>Dissolved oxygen and salinity trigger levels in Victorian tributaries to the River Murray were not reached in 2016/17.</p> <p>Cyanobacteria levels in the River Murray did not exceed guideline values for recreational use in 2016/17. GMW issued warnings for high cyanobacteria levels in Waranga Basin and several Goulburn-system channels of the Goulburn Murray Irrigation District; Lake Eppalock in the Campaspe system; and Tullaroop and Laanecoore reservoirs in the Loddon system. Warnings were not required in receiving waters downstream of the storages.</p>   |



## D. Water Trading

| Reporting Matter  | Supporting evidence to be provided by Basin States   | Response (milestone achievement/compliance status)  |
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| <b><i>The implementation of water trading rules.</i></b>  |  |   |
| <p><b>D1</b> Compliance with the Basin Plan water trading rules</p> <p><i>Applicable to Schedule 12, Matter 16, Indicator 16.1 and BPIA 29.1-31.1</i></p> | <p>Provide website links to the publication of information regarding an Approval Authority's interest in a trade (s12.38(2)).</p> <p>Provide documentation to support compliance with s12.37 (notice of disclosure)</p> <p>Describe how you have notified affected parties with the decision to restrict a trade and reasons for the restriction consistent with 12.39.</p> <p>How has your State undertaken best endeavours to ensure water announcements have been made generally available?</p> <p>Provide documentation that supports a compliance with s12.50 (water announcements to be made generally available).</p> | <p>Victoria made a number of changes on 1 July 2014 to align Victorian trading rules with Basin Plan water trading rules. This included removal of the annual 4% limit on the volume of water shares traded out of irrigation districts in northern Victoria, and a number of changes to allow anyone to buy water allocation. Victoria notified the MDBA in letters dated 23 April 2014 and 24 July 2014 of its compliance with Basin Plan trading rules, and of all restrictions on trade. Victoria is continuing to work with the MDBA on any further information or actions required.</p> <p>There are four water corporations in Victoria that are approval authorities subject to Basin Plan water trading rules. These are Coliban Water, Goulburn-Murray Water (GMW), Grampians Wimmera Mallee Water (GWMW) and Lower Murray Water (LMW).</p> <p>Each water corporation has put in place different policies and procedures to ensure relevant parties are notified of the interests of the approval authority prior to the trade being approved. Letters from each approval authority outlining the measures they have implemented to support compliance with BP s12.37 are attached to this document (<b>Attachments 2 to 5</b>).</p> <p>As outlined in the letters, Coliban Water and GWMW are only market participants in situations where the trade is initiated by their customer. In such situations, disclosure that the customer is dealing with the water corporation is embedded in the application process. Goulburn-Murray Water and LMW are market participants in a wider range of scenarios; to account for this, both water corporations have put in place additional measures to ensure functional separation between their decisions to trade and their trade approvals. These measures include use of a third party to broker any trades and a requirement that brokers must disclose when the water corporation is a party to or has an interest in any trade, prior to submission of the trade.</p> <p>In accordance with BP s12.38, the Victorian Water Register website provides publicly available reports on all approved trades where an approval authority has an interest in the trade. This information is available for all such trades conducted by each approval authority since 1 July 2014 (including water trades in 2016-17). Refer to: <a href="http://waterregister.vic.gov.au/water-trading/status-of-trading-applications">http://waterregister.vic.gov.au/water-trading/status-of-trading-applications</a> (see section titled "Trades where the approval authority is also the buyer or seller").</p> <p>In accordance with BP s12.39, the Victorian Water Register has a built-in system for written notifications sent to trading parties that have had their applications refused.</p> <p>The Water Register generates letters that Victorian approval authorities send to applicants to notify them that the trade has been refused and the high-level reason(s) for refusal. The Water Register also notifies processing officers at Victorian approval authorities of the specific trading rules that restrict any trade, so they can provide applicants with more specific information in their written notifications, or upon request.</p> <p>When an application is submitted online through the Broker Portal within the Victorian Water Register, an automated written notification of the outcome of the trade application is provided to the broker at the time. As part of the conditions of use of the Broker Portal, the broker is obliged to provide a copy of this notification to the applicant(s) by the next business day.</p> |

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|   |  | <p>In accordance with BP s.12.50, Victoria has procedures in place to ensure water announcements are made generally available. Allocation and carryover announcements in northern Victoria are made generally available on the Northern Victorian Resource Manager's (NVRM) website at <a href="http://nvrn.net.au">http://nvrn.net.au</a>.</p> <p>The Victorian Water Register website provides live public reports on current allocation trade opportunities within trade limits at <a href="http://waterregister.vic.gov.au/water-trading/allocation-trading">http://waterregister.vic.gov.au/water-trading/allocation-trading</a>.</p> <p>As part of the NVRM regular seasonal determination announcements, summary information on trade opportunities and limits is provided on its website, including links to the Victorian Water Register and MDBA websites where the public can find live data on current allocation trade opportunities: <a href="http://nvrn.net.au/seasonal-determinations">http://nvrn.net.au/seasonal-determinations</a>.</p> <p>Any announcements about changes to Victorian water trading rules are made generally available on the 'News' page of the Victorian Water Register website at <a href="http://waterregister.vic.gov.au/about/news">http://waterregister.vic.gov.au/about/news</a>.</p> <p>Victorian water corporations and the Victorian Environmental Water Holder do participate in water trade, and each has protocols and procedures in place to ensure that a person who is aware of a relevant water announcement before it is generally available must not trade until that information is generally available. The Department of Environment, Land, Water and Planning does very little trade, and is further developing refined procedures and policies to strengthen existing business practices to mitigate risks associated with the disclosure and management of water announcements.</p>  |
| <p><b>D2 Trade processing times</b></p> <p><i>Applicable to Schedule 12, Matter 16, Indicator 16.2; NPA 6d and BPIA 29.1-31.1</i></p> | <p>Report on interstate and intrastate trade processing times (as per the COAG service and reporting standards for trade processing times).</p> <p>Can you provide confirmation that applications for entitlement and allocation trades to which the Commonwealth was a party were processed consistent with the agreed service standards.</p> | <p>Current year reporting on trade processing times (as per the COAG service and reporting standards for trade processing time) is provided publicly on the Victorian Water Register website at: <a href="http://waterregister.vic.gov.au/water-trading/status-of-trading-applications">http://waterregister.vic.gov.au/water-trading/status-of-trading-applications</a>.</p> <p>Complete annual data for previous years is available publicly in the Victorian Annual Water Trading Reports published at: <a href="http://waterregister.vic.gov.au/water-trading/trade-reports">http://waterregister.vic.gov.au/water-trading/trade-reports</a>. The 2016-17 Victorian Annual Water Trading Report is expected to be published in September 2017.</p> <p>Data from the Victorian Water Register on 2016-17 trade processing times is also provided in the attached spreadsheet titled "<b>2016_17 VIC COAG service standards report.xls</b>" (<b>Attachment 6</b>). As this sheet articulates, Victoria has far exceeded the COAG services standards for allocation trades processed; and the percentage of water share transfers processed by the water corporation and registered by the Registrar within the indicated timeframes.</p> <p>Separate analysis of trades to which the Commonwealth was a party in 2016-17 (provided in attached spreadsheet titled: "<b>Service standards reports - Commonwealth trades 2016-17_FINAL.xlsx</b>" (<b>Attachment 7</b>) indicates that:</p> <ul style="list-style-type: none"> <li>• Victoria exceeded the service standard for the approval process for entitlement trades.</li> <li>• Victoria exceeded the service standard for the registration process for entitlement trades.</li> <li>• Victoria exceeded the service standard for allocation trades within Victoria.</li> <li>• Victoria exceeded the service standard for interstate allocation trades with SA</li> <li>• Four out of five interstate allocation trades with NSW exceeded the service standard. The one</li> </ul> |

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|   |  | trade that did not meet the service standard was for an application that took one day longer than the service standard (further commentary on the reasons for this is provided in <b>Attachment 6</b> ).  |
| <b>Restrictions on trade and their application (Refers compliance status with sections s12.02-12.27 of the Basin Plan).</b>                             |  |   |
| <b>D3</b> Ensure trades are consistent with the water trading rules<br><br><i>Applicable to Schedule 12, Matter 16; NPA 6a, 6b and 6e and BPIA 29.1</i> | Describe how the Basin State exercised its best endeavours to ensure that Basin States trading rules are consistent with the Basin Plan water trading rules<br>If your State has implemented any new restrictions on trade, have you notified the MDBA of the restriction and notified if consistent with s12.19.<br>You must also report on any surface water entitlements which are not consistent with clauses 28 to 32 of the NWI. | Victoria made a number of changes on 1 July 2014 to align Victorian trading rules with Basin Plan water trading rules. This included the removal of the annual 4% limit on the volume of water shares traded out of irrigation districts in northern Victoria, and a number of changes to allow anyone to buy water allocation.<br>As required under BP s12.19, Victoria notified the MDBA of all trading restrictions imposed by Victoria in a letter dated 24 July 2014. There has been no update to the trading restrictions since this date. Public advice on this matter is also available at <a href="http://waterregister.vic.gov.au/about/news/168-changes-to-victorian-water-trading-rules">http://waterregister.vic.gov.au/about/news/168-changes-to-victorian-water-trading-rules</a> .<br>During 2016-17, Victoria actively participated in the MDBA's flexible trade adjustment project, which aims to explore how alternative procedures for accounting for trades between valleys and states could present improved opportunities for trade. |
| <b>Information and reporting requirements</b>   |  |   |
| <b>D4</b> Provide information on water access rights and water trade rules.<br><br><i>Applicable to Schedule 12, Matter 16 and BPIA 31.1</i>            | Has the Basin State made any changes to the water access rights displayed on the MDBA's Water Market products page? If so what documentation has been provided to the MDBA with the updated information as required un s12.43?<br>Has the Basin State implemented any new trade rules that regulate the trade of tradable water access rights? If so have they provided these rules to the MDBA as required under s12.46?              | As requested by the MDBA, Victoria provided the required information about water access rights in an iterative process during May and June 2014 (refer to BP s12.43 and s12.44).<br>Victoria provided all required information about trading rules (BP s12.46) to the MDBA in a letter dated 9 July 2014.<br>There has been no change to the Victorian trading rules since 1 July 2014.   |
| <b>D5</b> Report trade prices<br><br><i>Applicable to Schedule 12, Matter 16 and BPIA 31.2</i>  | Has the Basin State sold water in the previous year? If so, did they notify the approval or registration authority of the price agreed for the trade?  | Victorian water corporations and the Victorian Environmental Water Holder participate in water trade. As with all Victorian water trade applications, theirs require notification of the price (or value) on trade application forms, including the forms for water share and allocation trade applications. These are available on the Victorian Water Register and are cross linked to water corporation websites at: <a href="http://waterregister.vic.gov.au/about/forms-and-fees">http://waterregister.vic.gov.au/about/forms-and-fees</a> .   |

## E. Northern Basin Review

| Reporting Matter  | Supporting evidence to be provided by Basin States  | Response (milestone achievement/compliance status) |
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| <b>Reviews of the Plan</b>  |   |  |
| <p><b>E1</b> Provide advice and assessments of the MDBA's studies for, and review of, the work underpinning the SDLs in the Northern Basin.</p> <p><i>Applicable to BPIA 13.1</i></p> | <p>The MDBA will undertake the review of the work underpinning SDLs for the Northern Basin, in collaboration with New South Wales and Queensland, who will participate in the review and advise on associated studies, processes and final recommendations.</p> <p>Relevant States should provide evidence of their involvement in the review, including their participation in relevant advisory groups.</p> | N/A  |

## F. SDL Adjustment & Constraints Management

| Reporting Matter  | Supporting evidence to be provided by Basin States  | Response (milestone achievement/compliance status)  |
|---|---|---|
| <b>Constraints Management Strategy</b>  |   |   |
| <b>F1</b> Review and provide advice on measures recommended in the Constraints Management Strategy.<br><br><i>Applicable to NPA 7 and BPIA 14.1</i> | <p>The Basin States will review the recommendations of the Constraints Management Strategy having regard to benefits and costs, available funding, third party impacts and community views.</p> <p>Basin States will advise the MDBA of their proposed responses to the relevant Constraints Management Strategy recommendations.</p> | <p>The Victorian Government has worked collaboratively with the MDBA and other Basin states in progressing the implementation of the Constraints Management Strategy. This has included the development and submission of the Goulburn constraints business case, and the Hume to Yarrawonga business case in collaboration with NSW. Victoria is an active member on the River Murray Constraints Steering Committee (RMCSC) (now Constraints Measures Working Group), which was established by the MDBA to deliver coordinated advice for the three River Murray sites.</p>   |
| <b>F2:</b> Develop constraint management proposals.<br><br><i>Applicable to NPA 7 and BPIA 14.2</i>   | <p>Basin States may develop proposals to address constraints, having regard to the Constraints Management Strategy</p>  | <p>The Victorian Government submitted the business case for the Goulburn River CMS proposal and for the Hume to Yarrawonga reach (with New South Wales) in April 2016. The business cases are underpinned by technical investigations to identify the potential impacts to third parties, mitigation options and costs, and consultation with communities and other Victorian agencies. The business cases were in evaluation stage during 2016/17.</p>   |
| <b>Preparation of proposed measures for SDL adjustment</b>  |   |   |
| <b>F3</b> Prepare and assess proposals for supply measures.<br><br><i>Applicable to BPIA 15.1</i>   | <p>Proponents will prepare proposals in accordance with assessment guideline and informed by the method for calculation of supply contribution. SDLAAC and BOC will assess the proposals.</p>   | <p>Further work has been undertaken to progress Victoria's 13 supply measure proposals (including TLM works proposals). This includes working to resolve issues raised by other jurisdictions during the assessment process. As a SDLAAC member, Victoria has also been involved in the assessment and evaluation of proposals put forward by other Basin States. In line with the assessment guidelines, this has included requesting further information from proponents and making recommendations to progress proposals. All 13 supply measure projects have progressed through this assessment process and were notified as an agreed package of supply measures in June 16.</p> |
| <b>F4</b> Prepare and assess proposals for efficiency measures<br><br><i>Applicable to BPIA 15.2</i>  | <p>Basin States may develop and implement proposals for efficiency measures for inclusion in the BOC package of measures prior to 30 June 2016. Basin States may also develop and implement proposals for additional efficiency measures after 30 June 2016.</p>  | <p>Currently an Efficiency Measures Analysis project is being undertaken during 2017, in-line with a set of Terms of Reference, which was agreed to between Basin States. Victoria is participating in this process which, if successful in delivering on all aspects of the ToRs, will assist all parties in considering what future projects/project pilots are required.</p>   |
| <b>Reallocation of reduction requests</b>   |   |   |
| <b>F5</b> Request MDBA to propose re-allocation of shared reduction amount.<br><br><i>Applicable to BPIA 16.1</i>                                   | <p>Basin States can request the MDBA to propose a re-allocation of the shared reduction amount within affected SDL resource units in that Basin State.</p>  | <p>The timing of this decision was resolved through the Basin Plan amendments process.</p>  |

## G. Critical Human Water Needs

| Reporting Matter   | Supporting evidence to be provided by Basin States   | Response (milestone achievement/compliance status)   |
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| <b>Risk management approach for inter-annual planning for critical human water needs arrangements</b>  |  |  |
| <b>G1</b> Consider the water available for critical human water needs before allocating water to other uses.<br><br><i>Applicable to BPIA 27.1</i> | <p>The MDBA will provide New South Wales, Victoria and South Australia with Water Resource Assessments, from which the States make decisions about allocations. Assessments will be provided at least monthly, and more frequently if conditions warrant.</p>  | <p>GMW, as delegated Resource Manager for the Victorian Murray regulated water system, set aside 77 gigalitres in the Victorian share of Dartmouth Reservoir for Victorian critical human water needs during 2016/17.</p> <p>GMW formally notified the MDBA of this action on 30 May 2016.</p> |
| <b>G2</b> Make decisions on allocations.<br><br><i>Applicable to BPIA 27.2</i>   | <p>During periods of Tier 3 water sharing arrangements, the MDBA will provide the Ministerial Council with Water Resource Assessments, from which New South Wales, Victoria and South Australia make decisions about allocations when determining if water can be made available for uses other than critical human water. Assessments will be provided at least monthly, and more frequently if conditions warrant.</p> <p>A Basin State must have regard to advice from the Authority regarding the volume of water to be made available to it in a particular year, when making decisions about whether water is made available for uses other than meeting critical human water needs (s11.08(3)).</p> | <p>Tier 3 water sharing arrangements were not triggered in 2016/17.</p>  |
| <b>Commencement and cessation of Tier 3 water sharing arrangements</b>   |  |  |
| <b>G3</b> Determine whether the trigger is reached and Tier 3 applies.<br><br><i>Applicable to BPIA 28.1</i>                                       | <p>The MDBA, through the preparation of the Water Resource Assessment will determine if the appropriate conditions apply. If New South Wales, Victoria or South Australia considers the triggers have been reached, its BOC member should advise the Executive Director, River Management Division, MDBA. The Guideline for triggers and processes for changing water sharing Tiers provides more information on how the MDBA will communicate a change in water sharing arrangements to the Basin States, CEWH and the Department.</p> <p>Please indicate if a trigger was reached and what action was taken to implement water sharing arrangements.</p>   | <p>Tier 3 water sharing arrangements were not triggered in 2016/17.</p>  |



## H. Water Resource Plans

| Reporting Matter  | Supporting evidence to be provided by Basin States  | Response (milestone achievement/compliance status)   |
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| <b>Reporting requirements</b>   |   |  |
| <p><b>H1</b> Develop water quality management plans as part of their water resource plans that identify measures to achieve objectives.</p> <p><i>Applicable to BPIA 22.1</i></p> | <p>Please provide a statement of progress where water quality management plans have not yet been developed.</p> <p>The Handbook for Practitioners for Chapter 10, Water Resource Plan Requirements provides guidance regarding the development and accreditation of water resource plans.</p> | <p>Victoria has developed a framework for its Water Quality Management plans (WQM plans) with initial implementation focussed on preparing the Wimmera-Mallee Water Resource Plan (WRP) area, consistent with s10.29 of the Basin Plan. A draft WQM plan has been prepared and submitted to the MDBA for review and is available publicly as part of community consultation for the draft WRP.</p> <p>Technical work relating to the preparation of the Water Quality Management Plan for Victoria's north (surface and groundwater) and Murray is well progressed. The draft Water Quality Management Plan will be provided to the MDBA in line with the general timelines for the northern WRP.</p> <p>Key causes and likely causes of water quality degradation (s10.30) have been informed by Victoria's WRP preliminary risk assessment (completed in May 2016), in accordance with s10.41 of the Basin Plan (refer to Reporting Matter A1, above.)</p> <p>The development of WQM plans is occurring in parallel to a review of Victoria's State Environment Protection Policy (SEPP) for waters (due for completion December 2017). Analysis undertaken for the SEPP review will be used to guide development of Victoria's WQM plans.</p> <p>Victoria is preparing relevant WQM plans in consultation with New South Wales and South Australia, consistent with s63(2) of the <i>Commonwealth Water Act 2007</i>, which requires that adjacent states consult one another during WRP preparation.</p> |
| <b>Develop of water resource plans for accreditation</b>  |   |  |
| <p><b>H2</b> Develop water resource plans for accreditation</p> <p><i>Applicable to BPIA 24.1</i></p>   | <p>Please provide a statement of progress where water resource plans have not yet been developed.</p>   | <p>Victoria's timeline for development, public release of draft WRPs and submission of final WRPs is on schedule with the release of the Draft Wimmera-Mallee WRP for MDBA review and public consultation in June 2017. The submission period ends on the 28 August 2017 with finalisation of the plan and formal submission for accreditation to the Commonwealth Water Minister expected by December 2018.</p> <p>Technical work for the development of the Northern WRP is well progressed with a draft plan on track for release in early 2018 with a final plan submitted for accreditation in the second half of 2018.</p>   |

**Development of an integrated hydrologic model across the Basin**

**H3 Adopt eWater source**

*Applicable to BPIA 25.1*

Please provide a statement of progress where eWater source has not yet been adopted.

The MDBA standard for water resource plan accreditation is eWater Source for water resource planning and operations, having regard to the modelling practices of Basin States and the nature of water resource plan areas and operational readiness of the model as it relates to a water resource plan area.

Victoria is using the REALM modelling platform to develop SDL models to meet the Basin Plan requirements.

To facilitate transition from on-going Cap compliance to formal Basin Plan compliance with SDLs after 1 July 2019, all Basin states have agreed to use their best endeavours to develop SDL models before 1 July 2019. Victoria has already submitted the Wimmera-Mallee WRP using the REALM platform model outcomes and is planning to do the same for the Northern Victorian systems as part of the development of the Northern Victorian (Surface Water) WRP by mid 2018. In parallel, Victoria is working closely with MDBA to develop a Source model for the River Murray system to replace the MSM model developed for the BDL. In March 2017, an independent reviewer engaged by MDBA to review the new daily timestep Source Model of Murray and Lower Darling River systems (SMM) advised that SMM is a 'candidate' for BDL and SDL models. Development of the SDL model has not yet commenced and if, in the case that a Source SDL model is not ready for the Victorian Murray system by 2019, then the existing MSM will be used as supporting information for WRP accreditation.

In parallel, Victoria is also developing Source models for the Victorian valleys within the Basin. Once these models are accepted by all stakeholders, these may be submitted to replace the REALM models submitted as part of the northern Victorian WRP. This practice is similar to the approach adopted in the past as part of Schedule E reporting under the MDB agreement, where the accredited Cap models are replaced with updated models when new information become available.

## Statement of reasons why watering not undertaken in accordance with Basin Environmental Watering Priorities (BAEWP) for 2016-17 (Refer Matter 10 – Indicator 10.3 and BP IA Task 20.2)

Section 8.44 of the Basin Plan (2012) requires that: If a person undertakes environmental watering other than in accordance with the Basin annual environmental watering priorities accessible on MDBA's website, that a person must give to the Authority a statement of reasons why environmental watering has not been undertaken in accordance with the Basin annual environmental watering priorities (8.44(1)). The person must give the statement to the Authority as soon as practicable, but in any event within four months after the end of the water accounting period in which the environmental watering was undertaken (8.44(2)). The Authority may publish on its website the statement of reasons given.

|                                     | Basin annual environmental watering (BAEWP) priorities for 2016–17  | Jurisdictions to consider reporting | Please tick (x), where BAEWP not followed | Statement of reasons why BAEWP not followed |
|-------------------------------------|---|-------------------------------------|---|---|
| <b>River flows and connectivity</b> |   |                                     |   |   |
| <b>1</b>                            | Overarching: to provide longitudinal connectivity and variable flow patterns for water quality and ecological benefit — particularly for native fish.   | NSW, Vic, Qld, SA, ACT, CEWH, TLM   |   |   |
| <b>2</b>                            | Maintain waterholes in the Lower Balonne Floodplain to provide critical refuge for water-dependent species.   | Qld, NSW, CEWH                      |   |   |
| <b>3</b>                            | Protect aquatic habitat conditions in the Coorong and support native fish movement by optimising flows into the Coorong and through the Murray Mouth.<br><br><b>November 2016 addendum:</b> Protect aquatic habitat conditions in the Coorong and support native fish movement by optimising flows into the Coorong and through the Murray Mouth. In particular, promote <i>Ruppia</i> recruitment by elevating water levels in the Coorong from October to December by building on the unregulated flows | SA, CEWH, TLM                       |   |   |

|                          | Basin annual environmental watering (BAEWP) priorities for 2016–17   | Jurisdictions to consider reporting | Please tick (x), where BAEWP not followed | Statement of reasons why BAEP not followed  |
|--------------------------|--|-------------------------------------|---|---|
|                          | with environmental water.  |                                     |   |   |
| <b>Native vegetation</b> |  |                                     |   |   |
| 4                        | Overarching: to water discrete locations that include threatened vegetation or support other threatened species and communities, including vegetation that is critical waterbird foraging or breeding habitat.   | NSW, Vic, Qld, SA, ACT, CEWH, TLM   |   |   |
| 5                        | Improve the condition of wetland vegetation communities in the mid-Murrumbidgee wetlands that provide critical habitat for threatened species and communities.   | NSW, CEWH                           |   |   |
| 6                        | Improve the health and complexity of waterbird rookery habitat in the northern Narran Lakes system.  | NSW, QLD CEWH                       |   |   |
| 7                        | <b>November 2016 addendum:</b> Prevent further critical deterioration of Moira grass in Barmah–Millewa Forest, subject to resolving natural resource management issues.  | NSW, Vic, CEWH, TLM                 |   | The BAEWP objective to prevent deterioration of Moira grass in Barmah–Millewa Forest was achieved. The CEWO elected not to water Barmah due to natural resource management issues, holdings of the VEWH were used and the forest received natural floods which prevented deterioration. |
| 8                        | <b>November 2016 addendum:</b> Maintain inundation of floodplain areas for sufficient duration to: freshen groundwater; reduce soil salinity; improve health of mature trees; and promote recruitment of long-lived floodplain vegetation, including seed set and germination. | NSW, Vic, Qld, SA, ACT, CEWH, TLM   |   |   |

|                    | Basin annual environmental watering (BAEWP) priorities for 2016–17   | Jurisdictions to consider reporting | Please tick (x), where BAEWP not followed | Statement of reasons why BAEP not followed |
|--------------------|--|-------------------------------------|---|--|
| <b>Waterbirds</b>  |  |                                     |   |  |
| 9                  | Overarching: to prevent further decline in habitat that supports waterbird breeding across the basin and thereby to help stabilise waterbird populations, albeit at lower levels than are sought over the long term.   | NSW, Vic, ACT, SA, Qld, CEWH, TLM   |   |  |
| 10                 | <b>November 2016 addendum:</b> Capitalise on opportunities to support waterbird breeding. Sites in the Lachlan, Macquarie and Murray catchments now show potential for successful waterbird breeding in the coming months. At these sites, environmental water should be used to sustain the duration and depth of inundation so that the waterbirds can reproduce successfully. | NSW, Vic, ACT, SA, Qld, CEWH, TLM   |   |  |
| <b>Native fish</b> |  |                                     |   |  |
| 11                 | Overarching: to protect drought refuge habitats, to maintain in-stream habitats, and to ensure existing populations of threatened species remain viable.   | NSW, Vic, ACT, SA, Qld, CEWH, TLM   |   |  |
| 12                 | Contribute to the long-term recovery of silver perch by improving existing populations and enhancing conditions for recruitment and dispersal to and from suitable habitat.  | NSW, Vic, ACT, SA, Qld, CEWH, TLM   |   |  |

|    | Basin annual environmental watering (BAEWP) priorities for 2016–17  | Jurisdictions to consider reporting | Please tick (x), where BAEWP not followed | Statement of reasons why BAEP not followed |
|----|---|-------------------------------------|---|--|
| 13 | Support viable populations of threatened native fish by protecting drought refuges and maintaining in-stream habitats and essential functions.  | NSW, Vic, ACT, SA, Qld, CEWH, TLM   |   |  |
| 14 | Maximise opportunities for range expansion and the establishment of new populations of silver perch and other threatened fish, as conditions allow.   | NSW, Vic, ACT, SA, Qld, CEWH, TLM   |   |  |
| 15 | <b>November 2016 addendum:</b><br>Contribute to the long-term recovery of threatened fish species, including silver perch, through range expansion and establishment of new populations. Environmental water can benefit silver perch recruitment by dampening sharp and extended drops in River Murray levels downstream of Yarrawonga during late spring and summer. Provision of water for small in-channel rises in Victorian tributaries and the Murray in summer and autumn will support dispersal of young silver perch. | NSW, Vic, ACT, SA, Qld, CEWH, TLM   |   |  |



## Case study: Learning by doing: flows woo native fish into Victorian rivers

Managers, scientists and river operators are continually improving their understanding of how flow can be used to support native fish. In 2017 they set themselves a challenge: encourage fish to migrate from the Lower Darling river into the iconic Murray, Goulburn and Campaspe rivers.

The Lower Darling River and Menindee Lakes are critical for spawning and recruitment of Murray cod and golden and silver perch and play an important role in helping repopulate other rivers in the southern Murray Darling basin.

An environmental flow was first delivered down the Murray, to stimulate golden and silver perch to move upstream along the Murray through the fishway on Torrumbarry Weir.

Victorian agencies then released flows into the Goulburn and Campaspe Rivers, to encourage the fish in the Murray to move up those rivers.

The plan worked: Monitoring showed that juvenile golden and silver perch tagged at Torrumbarry Weir moved up into the Victorian rivers directly in response to the flows delivered.

VEWH Environmental Water Coordinator Keith Chalmers says “this monitoring helps us better understand how best to use water for the environment to repopulate fish in these rivers”.

“There were people working across the southern Murray Darling Basin to make this work,” he says.

“In Victoria, Goulburn Broken CMA led the coordination effort with North Central CMA, and DELWP’s Arthur Rylah Institute’s (ARI) provided advice on what flows to deliver to ensure fish would be happy travellers. Goulburn Murray Water (GMW) was very supportive, particularly helping plan how Torrumbarry Weir was operated to get the best possible response from native fish while meeting their irrigator demand via diversions to the National Channel, which hadn’t been done before.”

The Murray Darling Basin Authority and New South Wales Office of Environment and Heritage (NSW OEH) delivered the Murray pulse, with the VEWB and Commonwealth Environmental Water Holder providing environmental water in the Murray and Goulburn rivers. No environmental water was needed in the Campaspe River. GMW was transferring consumptive water from Lake Eppalock to the Murray at the time, so they ‘shaped’ the delivery as an environmental flow to get the fish response.

It’s worth noting that NSW OEH also delivered environmental flows in the Lower Darling River and Darling Anabranch in 2016-17 for spawning, recruitment and dispersal of native fish. In the coming year we plan to deliver flows to help these fish migrate into the Goulburn and Campaspe rivers, building on this year’s results. This is a great example of learning by doing: working together to improve how we plan and manage environmental water.

Our ref: 301/9

Contact: Frank Reilly

Your ref:

5 July 2017

Mr Joe Banks  
Manager Retail Water Entitlements & Markets  
Department of Environment, Land, Water and Planning  
PO Box 500  
**EAST MELBOURNE VIC 3002**

Dear Mr Banks

**Compliance with Section 12.37 of the Murray Darling Basin Plan**

As per Section 12.37 of the Murray Darling Basin Plan, an approval authority is required to disclose the following information to each party to the trade:

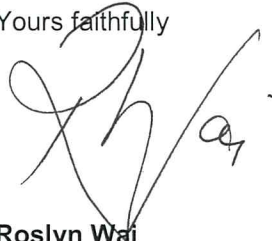
- a) the nature of any legal or equitable interest it, or a related party, has in the subject of the proposed trade; and
- b) the nature of any commercial interest it, or a related party, has in the activities of a water market intermediary involved in the proposed trade.

Coliban Region Water Corporation has implemented a range of measures to ensure compliance with Section 12.37. These measures include:

- A specific application form is used in instances where Coliban Region Water Corporation is a party involved in a proposed water trade. The application form contains a declaration from Coliban Region Water Corporation that they are a party involved in the proposed trade and have a commercial interest in that trade. The declaration also states that Coliban Region Water Corporation acts as the approving authority for that trade. The other parties involved in the proposed trade must tick a check box to advise that they have read and understood the water corporation declaration prior to submitting the application.
- Coliban Region Water Corporation's process mapping for managing permanent volume trades has a paragraph that states for any permanent trade involving Coliban Region Water Corporation the correct application form including the water corporation declaration must be used for that proposed trade.

For further information regarding Coliban Region Water Corporation's compliance with Section 12.37 of the Murray Darling Basin Plan, please contact Frank Reilly on (03) 5434 1281 or email [frank.reilly@coliban.com.au](mailto:frank.reilly@coliban.com.au).

Yours faithfully



**Roslyn Wai**  
**General Manager Corporate Strategy & Governance**

24 July 2017

Mr Joe Banks  
Manager Retail Water Entitlements & Markets  
Department of Environment, Land, Water and Planning  
PO Box 500  
EAST MELBOURNE VIC 30012

Dear Joe

**COMPLIANCE WITH SECTION 12.37 OF THE MURRAY DARLING BASIN PLAN**

As per Section 12.37 of the Murray Darling Basin Plan, an approval authority is required to disclose the following information to each party to the trade: a) the nature of any legal or equitable interest it, or a related party, has in the subject of the proposed trade; and b) the nature of any commercial interest it, or a related party, has in the activities of a water market intermediary involved in the proposed trade.

Goulburn-Murray Water has implemented a range of measures to ensure compliance with section 12.37. These measures include:

- Our water trading policy states that "GMW must disclose its interest in any water share or allocation to the other party prior to any agreement being made to trade water" it also states that all sales of allocation must be brokered through a third party. GMW has established a panel of Water Brokers to broker these applications on our behalf.
- The Water Broker acting on behalf of GMW is required to disclose when GMW is a party to or had an interest in a water share or allocation trade prior to any agreement.
- The 'About GMW' section of our website also provides a link to all trades GMW was a party to.

For further information regarding Goulburn-Murray Water's compliance with section 12.37 of the Murray Darling Basin Plan, please contact us on 03 5826 3500.

Yours sincerely



Daniel Irwin  
Acting General Manager Customer Operations

Our ref: 20/024/013  
Contact: Rod Dorward  
Office: 11 McLachlan Street



ABN 35 584 588 263

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(PO Box 481)  
Horsham Victoria 3402

**Tel:** 1300 659 961

**Fax:** 03 5381 9881

**Email:** [info@gwmwater.org.au](mailto:info@gwmwater.org.au)

**Website:** [www.gwmwater.org.au](http://www.gwmwater.org.au)

*Certified to best practice standards  
ISO 9001 / 14001 and AS/NZS 4801*

3 July 2017

Mr Joe Banks  
Manager Retail Water Entitlements & Markets  
Department of Environment, Land, Water & Planning  
PO Box 500  
EAST MELBOURNE VIC 3002

Dear Mr Banks

**Compliance with Basin trading rule 12.37 for 2016/17**

GWMWater has in place measures within its trading processes to ensure that the disclosures required under trading rule 12.37 of the Basin Plan are provided.

GWMWater as the approval authority is required to disclose its interest when selling pipeline growth water to other parties. This disclosure is embedded within the process which includes:

- communicating the process for the sale of growth water to potential applicants,
- the lodgement of expression of interest forms by applicants,
- GWMWater's offer of sale and invoice for payment to successful applicants,
- the sending of approval letters and receipts for payment to the purchasers of growth water (after a trade is approved).

If you require any additional information regarding the procedures in place to support compliance with Basin trading rule section 12.37 please contact Rod Dorward on 5381 9803.

Yours faithfully

**Steven Briggs**  
Manager Customer Service



1 July 2017

2017/050223

Mr Joe Banks  
Manager Retail Water Entitlements and Markets  
Department of Environment, Land, Water and Planning  
PO Box 500  
EAST MELBOURNE VIC 3002

Dear Sir

**COMPLIANCE WITH SECTION 12.37 OF THE MURRAY DARLING BASIN PLAN**

As per Section 12.37 of the Murray Darling Basin Plan, an approval authority is required to disclose the following information to each party to the trade:

- a) the nature of any legal or equitable interest it, or a related party, has in the subject of the proposed trade; and
- b) the nature of any commercial interest it, or a related party, has in the activities of a water market intermediary involved in the proposed trade.

Lower Murray Water has implemented a range of measures to ensure compliance with section 12.37. The following policies are relevant:

1. **CTD/001023 - Trading in Water Entities and Seasonal Allocation Policy** ensures a transparent governance regime in respect to trading activities by Directors and specified officers of the Corporation.
2. **CTD/001024 - Procedure for Providing Information Relating to Trading Activities** complements the above and provides governance in respect to officers with access to confidential Water Market information.
3. **CTD/002727 - Procedure for Allocation or Water Share Trading by LMW** establishes a separation of duties and transparent internal governance procedures in respect to Lower Murray Water (Urban division) trading allocation and water shares and its approval role as Minister's Delegate.

Any such water share or allocation transactions are brokered through a third party selected by an open tender process. In order to ensure compliance with Section 12.37 of the Murray Darling Basin Plan, this tender included a requirement on the successful

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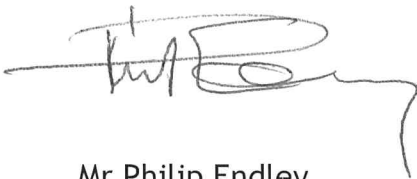
E [admin@lmw.vic.gov.au](mailto:admin@lmw.vic.gov.au)  
**[lmw.vic.gov.au](http://lmw.vic.gov.au)**  
     
ABN 18 475 808 826

**All Emergencies**  
**1800 808 830**  


tenderer that LMW be disclosed as a participant in the trade to the vendor or purchaser prior to submission of the application to trade as appropriate.

For further information relating to Lower Murray Water compliance with Section 12.37 of the Murray Darling Basin Plan, please contact Mr Kevin Murphy on 03 50513400, or by email [Kevin.Murphy@lmw.vic.gov.au](mailto:Kevin.Murphy@lmw.vic.gov.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Philip Endley', with a long horizontal stroke extending to the right.

Mr Philip Endley  
**MANAGING DIRECTOR**

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