

Environmental water delivery



Compliance



Northern Basin initiatives



Sustainable diversion limit
adjustment mechanism



Water recovery



Water resource plans



Australian Government



July 2021 Report Card

The 6 months to 30 June 2021 saw positive improvements in the Murray-Darling Basin. A wetter than average summer across most of the Basin meant following autumn rainfalls provided sustained flow down the Darling River for the first time in 5 years. The rain brought flooding to important wetlands but also inundated some towns, created water quality risks in some areas, and did not reach all drought affected regions.

The [Outlook from the Bureau of Meteorology](#) is for above-average rainfall into winter, and good summer harvests and favourable winter cropping conditions are boosting regional optimism.

This Basin Plan Report Card (the Report Card) provides an independent overview of progress implementing key activities of the Basin Plan over the 6 months (January 2021 to 30 June 2021). The Murray-Darling Basin Authority (MDBA) has a role to monitor progress toward achieving a healthy, productive Basin.

The Report Card does not assess the condition or trends occurring in the Basin or whether key Basin Plan outcomes are being achieved. The Basin Plan Annual Report and 5-yearly evaluations provide this assessment. The [2020 Basin Plan Evaluation](#), released in December 2020, provides the latest report on this, along with recommendations for improvements to strengthen the social, cultural, economic and environmental outcomes being sought through the implementation of the Basin Plan.



This Report Card shows progress across most activities of the Basin Plan, but the progress of some key activities remains slow. This is prolonging uncertainty for Basin communities who wish to see completion of the water reforms. All Basin governments need to consider where actions can be fast-tracked, or where approaches need to be adapted, to keep implementation on track, so that the outcomes of this complex reform can be achieved in the national interest.

The pathway to a healthy productive Basin has been a long and hard road for many Basin communities. The 2020 Basin Plan Evaluation and recent independent reviews found that some communities need more support to adjust to significant changes they are experiencing from water reforms, climate challenges and other global influences like commodity markets and the COVID-19 pandemic.

Governments learned from independent review that information on water management is difficult to access and understand, the water market is not as effective or transparent as it should be, and this is damaging community trust and the ability to make good business decisions. Communities want their views heard in water management decisions, and First Nations across the Basin want to share their traditional knowledge to help make better decisions. They want to see real outcomes delivered for their community's wellbeing.

The Australian and state governments are responding to these challenges. The Murray-Darling Communities Investment Package responded to needs identified by the community, stakeholders and governments, and the Murray-Darling Basin Ministerial Council agreed to re-scope 2 projects included in the Sustainable Diversion Limit Adjustment Mechanism in response to local concerns and to boost regional engagement.

Continued collaboration between governments and communities is needed to implement the Basin Plan and secure a sustainable and productive Basin for all Australians. Complementary policies and investment in other sectors like natural resource management, regional development, climate adaptation, and monitoring and research, will also help address the challenges faced by local water managers and businesses, communities and the environment.



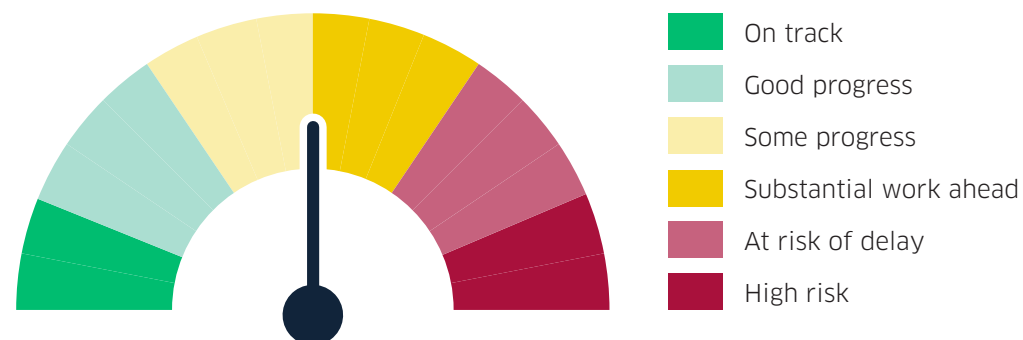
About the Report

The MDBA is an independent authority of the Australian Government, established to provide independent, expert advice on the development, implementation, and enforcement of the Basin Plan. An important part of the MDBA's role is to assess and monitor the implementation and effectiveness of the Basin Plan.

This Report Card is the sixth in the series, providing a short, timely and accurate update on progress to keep the Australian public informed. The Report Card includes stakeholder feedback that the MDBA has been hearing over the past 6 months from a wide range of sources including the Basin Community Committee, regional engagement activities, peak bodies, social media, and the public hotline and email inbox. We have also been working to address the findings of a number of independent reviews that reported in the last 12 months, and have been actively observing and listening to feedback from communities including through the Basin listening tours undertaken by our new Authority Chair, Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd) since his appointment in August 2020.

The June 2020 Report Card said some elements of the Basin Plan were on track and providing more confidence to communities. Other areas were at risk of delay, requiring fast-tracking strategies and clearly communicated implementation plans that considered the lessons learned from program implementation so far. Over the past 6 months some projects have continued to progress, some programs have been re-designed based on community feedback, but the more challenging elements of water reform remain at risk.

Guide to the ratings



Assessment

The MDBA assessed the progress of the key activities of Basin Plan implementation. These activities are interconnected, and the Basin Plan needs all to progress in order to set the foundations for a healthy and sustainable Basin.



Water resource plans

Plans from Queensland, South Australia, Australian Capital Territory and Victoria are now accredited and in operation. The MDBA has provided guidance to Basin states on the process to amend water resource plans so the plans can evolve and adapt to new information and improvements.



New South Wales water resource plans

Under Ministerial agreement New South Wales was granted a 12-month extension and provided all its plans prior to the revised due date of 30 June 2020. The MDBA is assessing plans and has identified some policy and technical inconsistencies with the Basin Plan. There is substantial work ahead as New South Wales withdraws plans to make improvements and address the inconsistencies that have been identified. The MDBA will work closely with New South Wales through the withdrawal and resubmission process to progress plans to accreditation as soon as possible.



Water recovery

Bridging the gap

Water recovery is close to completion, with approximately 98% of surface water and 92% of groundwater recovered as at 31 March 2021. Progress to achieving full recovery is slowing.



Sustainable diversion limit adjustment mechanism - supply and constraint measures

A proposal to fast-track design and implementation of 5 projects was endorsed by the Murray-Darling Basin Ministerial Council in April 2021. These are projects New South Wales can deliver by June 2024 and demonstrate real progress in achieving outcomes for communities and the environment. Ministerial Council also agreed to the re-scope of two major projects. Additional actions will be required to address other projects that remain at risk of not being operational by 30 June 2024.



Sustainable diversion limit adjustment mechanism - efficiency measures

The Off-farm Efficiency Program has replaced the Water Efficiency Program in response to slow progress and community concerns. A major new project to further modernise the Goulburn-Murray Irrigation District will contribute 15.9 GL to the 450 GL efficiency measures target. Basin states and the Commonwealth are working to identify and fast-track other suitable projects for delivery by 2024. Reaching the full 450 GL target will be challenging.

Assessment (continued)



Northern Basin initiatives

A joint government workplan has been published and there has been good progress implementing new management measures. Ten projects assessed by an independent panel have been approved by the Australian Government, with 4 projects funded for fast-tracking to implementation. The projects will provide environmental benefits, stimulate local economies and provide jobs, including for First Nations people.



Compliance

Basin governments have progressed work under the Compliance Compact as a component of a broader compliance improvement. More work is needed to achieve standardised best practice regulation and compliance across the Basin, including improving water take accountability through metering reforms. The Australian Government is establishing a Commonwealth Inspector-General of Water Compliance to give the community confidence that water is managed within the rules.



Environmental water delivery

Environmental water delivery continues to maximize the outcomes from the available water, and this has served the river system well, particularly through the recent drought. Collaboration between river operators and across jurisdictions to improve and mature water for the environment delivery processes needs to be ongoing.

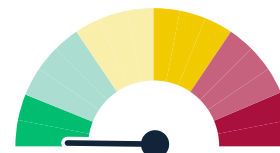
A joint effort to improve communication is underway to provide communities with confidence that water for the environment is achieving outcomes.



Priority one Water resource plans

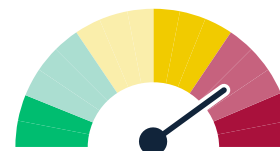
Water resource plans are an integral element of implementing the Basin Plan, as they set the rules for how much water can be taken from the system, so that the sustainable diversion limits in each area are achieved over time. The plans also make sure that state water management rules meet the Basin Plan requirements and include arrangements that strengthen water management at a local level.

Water resource plans are developed by Basin state governments, assessed by the MDBA, and accredited by the Australian Government Minister responsible for water. There are 33 plan areas in total, 19 for surface water, 19 for groundwater and 5 that cover both surface and groundwater.



Water resource plans

Plans from Queensland, South Australia, Australian Capital Territory and Victoria are now accredited and in operation. The MDBA has provided guidance to Basin states on the process to amend water resource plans so the plans can evolve and adapt to new information and improvements.



New South Wales water resource plans

Under Ministerial agreement New South Wales was granted a 12-month extension and provided all its plans prior to the revised due date of 30 June 2020. The MDBA is assessing plans and has identified some policy and technical inconsistencies with the Basin Plan. This is not unique – all other states had inconsistencies in their initial plans. There is substantial work ahead as New South Wales withdraws plans to make improvements and address the inconsistencies that have been identified. The MDBA will work closely with New South Wales through the withdrawal and resubmission process to progress plans to accreditation as soon as possible.



Priority one (continued)

Water resource plans

MDBA assessment

- The MDBA's water resource plan quarterly report shows that the 13 water resource plans in Queensland, South Australia, Victoria and the Australian Capital Territory are now accredited and in operation.
- New South Wales – The steps taken by New South Wales over the past 12 months demonstrate commitment to implementing the Basin Plan through water resource plans. This includes submitting all 20 proposed New South Wales water resource plans to the MDBA by 30 June 2020, in accordance with revised submission timeframes under Ministerial agreement.
- The MDBA has conducted a preliminary assessment of all 20 New South Wales water resource plans. It has also completed final assessments for most plans, using the same [assessment framework](#) applied to the water resource plans in all other states.
- These assessments have identified inconsistencies with the Basin Plan requirements, both policy related and technical issues, in all New South Wales plans. This is not unique to New South Wales – all other Basin states have had inconsistencies in their initial plans, requiring changes before the plans could be recommended for accreditation.
- Also consistent with all assessments conducted to date, the MDBA has sought the advice of Murray Lower Darling Rivers Indigenous Nations (MLDRIN) and Northern Basin Aboriginal Nations (NBAN) on the 'Indigenous values and uses' component of each New South Wales plan.
- The advice to the MDBA requires MLDRIN and NBAN to engage with First Nations across all 20 plan areas. This consultation was delayed by the COVID-19 pandemic.
- The advice received from MLDRIN and NBAN to date is that there are gaps in the way the plans meet the MLDRIN and NBAN expectations for what is required to address Chapter 10, Part 14 requirements. New South Wales is working with MLDRIN and NBAN to address these gaps.
- New South Wales has now withdrawn several surface water and groundwater plans and advised they will be amended to make them consistent with the Basin Plan before resubmitting them for assessment.
- The MDBA and New South Wales are working closely through the withdrawal and resubmission process set out in the Commonwealth Water Act to progress the accreditation of plans as quickly as possible.
- On 6 May 2021 the New South Wales Legislative Council disallowed the amendments made to the *Water Management (General) Regulation 2018* associated with floodplain harvesting. The disallowance prolongs uncertainty for water users and the New South Wales water regulator.
- The New South Wales Government have reiterated their commitment to bring floodplain harvesting into the regulated system for the first time and achieve robust management of the water on the floodplain within the legal limits. This will be then reflected in the relevant water resource plans.



Priority one (continued)

Water resource plans

- Across the Basin, transparent accounting for all forms of water use, will improve water compliance and the health of the river system.
- Water management will continue to evolve and changes to water resource plans are anticipated as new information comes to hand and management practices are improved. Amendments to plans will require assessment by the MDBA and re-accreditation by the Commonwealth Minister responsible for water.
- [Water resource plan amendment guidelines](#) have been developed to guide Basin governments in the development of amendments. Regulations are also in place to streamline the accreditation of minor amendments. It is anticipated that Basin governments will work closely with the MDBA prior to any amendment being submitted for assessment.

What we are hearing

- There is support for the protection of planned environmental water in water resource plans.
- Water users and communities across the whole Basin remain concerned about floodplain harvesting and how it will be incorporated into the water resource plans.
- Stakeholders are encouraged to see water resource plans in operation, and are keen for all plans to be finalised and in place to reduce uncertainty for Basin communities.

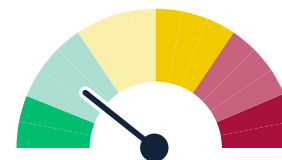
Priority two

Water recovery



Sustainable diversion limits indicate how much water can be used while leaving enough water to sustain natural ecosystems. The Australian Government runs a water recovery program to achieve the sustainable diversion limits (SDLs) set out in the Basin Plan. The program has involved a combination of water efficiency projects and purchasing of water licenses in the market. The water recovered under the program is passed to the Commonwealth Environmental Water Holder as licences and must be used to achieve Basin Plan environmental watering objectives.

Bridging the Gap is the program to recover water against the target in the Basin Plan. In 2018 this target was revised to 2,075 GL/y as a result of 2 amendments to the Basin Plan, one as a result of the [Northern Basin review](#) and [scientific reviews of groundwater systems](#), and the other to reflect the SDL adjustment mechanism. This revised target is dependent on the SDL adjustment mechanism projects being delivered by 2024.



Bridging the gap

Water recovery is close to completion, with approximately 98% of surface water and 92% of groundwater recovered as at 31 March 2021. Progress to achieving full recovery is slowing.

MDBA assessment

- At a Basin scale about 98% of surface water recovery is complete – as of 31 March 2021, 46 GL/y remains to be recovered to meet the Basin Plan target of 2,075 GL/y.
- All states have completed the revision of their ‘cap factors,’ which are conversion factors that allow different types of water entitlements to be counted on equal terms. These factors help to determine if the correct amount of water has been recovered in each region. The ‘cap factors’ come into effect as water resource plans are accredited.
- While the total amount of water recovered across the Basin is higher than the overall target of 2,075 GL/y, there are local and shared water recovery targets in the Basin Plan that must still be met at the catchment-scale. There has been some over recovery in some catchments.
- Communities are seeking to understand the plan and expected timeframes for meeting recovery targets, to provide confidence that the Bridging the Gap recovery program will conclude.

Priority two (continued)

Water recovery



- For groundwater, 92% of water has been recovered – as at 31 March 2021, a further 3.2 GL/y of recovery is required in the Upper Condamine Alluvium to meet the Basin Plan target of 38.45 GL/y.

What we are hearing

- There are communities that are pleased the government has listened and shifted to off-farm water recovery.
- Communities are concerned about over-recovery and under-recovery of water.
- People view water recovery for the environment as a positive step but are concerned that a warming climate will mean the water recovered for the environment won't be enough to maintain healthy rivers and wetlands.

Priority three

Sustainable diversion limit adjustment mechanism



The Basin Plan sets [sustainable diversion limits](#) (SDLs), which are limits on how much water can be used in the Murray-Darling Basin, while leaving enough water to sustain the environment. In 2012, Basin governments included a mechanism to adjust these limits in the Basin on the basis that there are better ways to run the system that still achieve equivalent environmental outcomes, with less water.

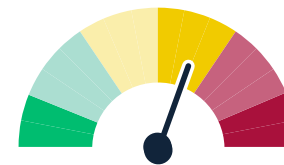
The [SDL adjustment mechanism](#), adopted for the southern Basin only, involves 3 elements that work together – namely ‘supply’ and ‘constraints’ projects that improve river management and achieve equivalent environmental outcomes with less water, and ‘efficiency measures’ that recover water for the environment through modernised infrastructure that increases water use efficiency.

Basin state governments brought forward 36 supply and constraints projects in July 2017. The Basin Plan was amended in May 2018 to provide an upfront 605 GL adjustment to the SDLs to reflect the anticipated environmental outcomes and water savings of this package of project. Basin state governments are responsible for the design and implementation of these projects, and the Australian Government is funding them.

Under the water efficiency program, \$1.5 billion has been set aside to recover 450 GL of water by 2024. The SDL adjustment mechanism requires that 62 GL

in efficiency measures is needed for the full 605 GL supply measures adjustment to occur. The Basin Plan requires that efficiency measures have neutral or positive socio-economic outcomes for Basin communities.

In 2024 the MDBA will assess if the supply and constraints projects have been implemented as proposed and achieved the adjustment determined in 2017. The MDBA may need to reconcile the water savings and environmental outcomes that have been delivered as a result. This assessment may indicate that the sustainable diversion limits need to be adjusted further to safeguard the agreed environmental outcomes. The MDBA will provide any final determination to the Commonwealth Minister for consideration and response.



Sustainable diversion limit adjustment mechanism – supply and constraints measures

A New South Wales proposal to fast-track design and implementation of 5 projects was endorsed by the Murray-Darling Basin Ministerial Council in April 2021.

Ministerial Council agreed to the re-scope of 2 major projects. Additional actions will be required to address other projects that remain at risk of not being operational by 30 June 2024.

Priority three (continued)

Sustainable diversion limit adjustment mechanism

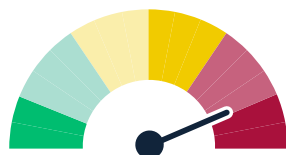
MDBA assessment

- The Australian Government and Basin state governments have been working together to accelerate the planning and delivery of the SDL adjustment mechanism projects.
- In April 2021, an [independent report](#) by Indec on the status of the [36 supply and constraint projects](#) noted:
 - 15 projects are now in operation, and a further 15 projects have made good progress and should be delivered before June 2024, representing approximately 74% of the offset volume.
 - 7 projects are not on track and are at significant risk of not being operational by June 2024 due to their complex nature and significant challenges.
- In 2024 the MDBA will consider if these projects have been implemented as proposed and achieve the adjustment initially determined in 2017 and whether a reconciliation of the water savings and environmental outcomes that have been delivered is required.
- A [framework](#) outlining how the MDBA will approach this reconciliation has been developed in consultation with Basin states and incorporates feedback from the Independent Assurance Committee. This framework provides the Authority's proposed approach to the reconciliation decision, including the role of assurance, and clarifies the roles and responsibilities of the Authority and Basin governments.
- The Menindee Lakes Water Savings (including the Lower Darling constraints) and Yanco Creek Offtake Regulator projects have seen slow progress due to ongoing stakeholder concerns. In April 2021 Basin Ministers agreed to New South Wales re-scoping these projects and engaging and working with communities to build support.
- New South Wales has also committed to accelerating 3 projects and 2 elements of other projects, with Australian Government support.
- The first stage of the Enhanced Environmental Water Delivery project has commenced and involves establishing project management and governance arrangements, technical investigations, and preparing an implementation plan to support any decision to proceed to implementation.
- The constraints programs in the Murrumbidgee, Goulburn, and Murray Rivers need to progress in close consultation with communities to find solutions to removing operational and physical constraints. Discussions with an estimated 3,000 landholders need to progress to have the necessary agreements in place. There is significant work to find a pathway to complete the removal of operational and physical constraints in the next 3 years. South Australian constraints projects are progressing well.



Priority three (continued)

Sustainable diversion limit adjustment mechanism



Sustainable diversion limit adjustment mechanism – efficiency measures

The Off-farm Efficiency Program has replaced the Water Efficiency Program in response to slow progress and community concerns. A major new project to further modernise the Goulburn-Murray Irrigation District will contribute approximately 15.9 GL to the 450 GL efficiency measures target. Basin state governments and the Commonwealth are working to identify and fast-track other suitable projects for delivery by 2024. Reaching the full 450 GL target will be extremely challenging.

MDBA assessment

- As at 30 June 2021, 1.9 GL of water entitlements were registered with the Commonwealth Environmental Water Holder from efficiency measures. A further 0.67 GL has been either contracted or approved.
- The efficiency measures program needs to recover 62 GL/y for the full 605 GL sustainable diversion limit adjustment.
- The First Review of the Water for the Environment Special Account was completed in September 2020, concluding that neither the 450 GL efficiency nor the constraints measures programs are on track for delivery in full by 30 June 2024.
- The [Independent Panel on Social and Economic Condition in the Basin](#) recommended that, where possible, off-farm recovery should be a preferred approach for recovering water when it reduces the impact on the consumptive pool.
- The Australian Government responded by announcing a range of measures and new investments under the Communities Investment Package in September 2020. This also shifted the government's focus for water recovery towards off-farm infrastructure projects.
- In November 2020 the Murray-Darling Basin Ministerial Council considered a list of off-farm infrastructure concept proposals that identified activities that would address water losses, provide regional stimulus, and/or contribute to agricultural productivity.
- Funding of \$177.5 million for the first of these off-farm projects, the Goulburn-Murray Water (GMW) Efficiency Project, was announced in March 2021. This project is expected to deliver 15.9 GL in savings to contribute to the efficiency measures target. At the same time, the government announced new arrangements for efficiency measures under the Off-farm Efficiency Program.
- Ongoing effort to accelerate the delivery of the efficiency (and constraints and supply) projects is now needed – there is a high level of community concern regarding the achievement of the 450 GL efficiency measures and the completion of the water reforms.

Priority three (continued)

Sustainable diversion limit adjustment mechanism

What we are hearing

- Stakeholders want to see governments working together on the SDL adjustment mechanism – there is a lot of uncertainty and the inconsistent approach of governments does not help build community confidence.
- There is recognition that constraints projects are complex and need to be carefully planned with the community to address the barriers to delivering water for the environment.
- Communities want ongoing engagement in project design and delivery in their local area, and to be kept informed of progress.



Priority four

Northern Basin initiatives



There are several initiatives underway in the northern Basin to better manage water for local communities, the environment and future generations. This includes a range of diverse projects, known as the 'toolkit measures' and the 'Basin Commitments Package'.

The 4-year review conducted by the MDBA in 2016 into the northern Basin resulted in a 70 GL reduction to the 390 GL water recovery target in the north, on the basis that the New South Wales and Queensland governments adopted a range of ['toolkit measures'](#) with assistance from the Australian Government.

The Basin Plan was amended in 2018 to reflect this outcome, and at that time the [Basin Commitments Package](#) was also announced with bilateral support for further initiatives. Following the Menindee fish death events and the Vertessy Independent Panel review, the Australian Government also announced a response package, which includes significant funding to improve northern Basin monitoring and compliance, protect native fish and improve river management.

Together, these initiatives are intended to protect water for the environment, improve compliance with water laws, improve river management across the northern Basin, and create opportunities for local communities, including First Nations.



Northern Basin Initiatives

A joint government workplan has been agreed and there has been good progress implementing new management measures. Ten projects assessed by an independent panel have been approved by the Australian Government, with 4 projects funded for fast-tracking to implementation. The projects will provide environmental benefits, stimulate local economies and provide jobs, including for First Nations people.

MDBA assessment

- The Basin governments' agreed work plan to implement the toolkit measures, and progress updates are available on the [MDBA website](#).
- There has been good progress implementing the policy and management measures in the 'toolkit', and in March 2021 the Commonwealth Minister for Water approved 10 environmental works projects.

Priority four (continued)

Northern Basin initiatives

- A number of these projects are expected to commence construction within 12 months, and include projects to promote fish movement and habitat across the northern Basin and improve the effectiveness of environmental watering in the Macquarie Marshes.
- The Australian Government has announced that \$90 million will be made available to fast-track the implementation of these projects, so that the benefits of local and indigenous people employment and regional economic stimulus are delivered sooner.
- Other approved environmental works projects will progress to more detailed business case development, including community consultation. New South Wales and Queensland are due to submit these business cases to the Australian Government by June 2022.
- Ministers have agreed that all measures would be operational by 30 June 2024. At this stage, delivering these projects within this timeframe will be challenging.
- The coordination of environmental watering continues to mature, with a recent example, the Northern Waterhole Top-Up flow, reconnecting waterholes in a 230 km section of the Barwon River and providing drought refuge for native fish and animals over the 2020-21 summer. This was the third time that the Commonwealth Environmental Water Holder and New South Wales have coordinated joint environmental releases to achieve whole-of-North connected flows.
- It was expected that the Northern Waterhole Top-up releases would re-connect the river system along the Barwon River from Mungindi to Collarenebri and potentially through to Walgett.

- Summer rain combined with the activation of 2 new water rules put in place by New South Wales, 'active management' arrangements and a 'resumption of flow' rule in the Barwon-Darling, helped this small environmental flow to extend well beyond its original target and reach Menindee Lakes.
- Basin governments should continue to progress implementation according to the agreed work program and ensure appropriate risk management is in place to mitigate any further delays.

What we are hearing

- Northern Basin communities live through the 'boom and bust' of the northern system, the recent rainfall is welcome, but they know the next drought could be around the corner.
- First Nations people's culture and identity relies on a healthy river – if the river stops flowing, community wellbeing suffers.
- Approval of some toolkit projects is welcome progress, but communities are eager for on-ground delivery.
- The toolkit measures are a great complement to environmental water, they are initiatives that the community can really get behind.



Priority five

Compliance

Effective compliance and enforcement arrangements are critical to the success of the Basin Plan. Water users and the wider community need to have trust in the system. This includes confidence that the various water resource plans, rules, and laws will provide adequate protection of water for the environment, while providing water users with certainty over their access arrangements. It also includes confidence that unlawful actions – water theft, illegal diversion structures, and meter tampering – will not be tolerated.

In response to concerns over compliance raised in 2017, a number of reviews were undertaken. These include one by the MDBA and an independent panel (for the Australian Government), by Ken Matthews AO (for the New South Wales Government) and by an independent panel (for the Queensland Government). Following the reviews, the focus of all Basin governments has been on improving the effectiveness of water compliance in a range of ways, particularly through commitments in the Basin Compliance Compact.



Compliance

Basin governments have progressed work under the Compliance Compact as a component of a broader compliance improvement.

More work is needed to achieve standardised best practice regulation and compliance across the Basin, including improving water take accountability through metering reforms. The Australian Government is establishing a Commonwealth Inspector-General of Water Compliance to give the community confidence that water is managed within the rules.

MDBA assessment

- As a result of the Compliance Compact, combined with other state-led initiatives, water compliance has improved, more information is available to the Australian community and metering is more accurate across the Basin.
- Most states have now completed or made progress towards reviewing their water governance arrangements and improving public reporting and transparency. Good progress has also been made in revising and improving compliance and enforcement frameworks and protocols.



Priority five (continued)

Compliance



- There is still further work to do in some areas to achieve robust compliance and enforcement across the Basin, including addressing consistency issues in the standards for meter thresholds and improving Basin-wide public reporting on the performance of water compliance systems.
- New South Wales, Victoria and South Australia have made substantial progress updating their metering policies and implementing the national metering standard (AS4747), however there is still some work for Queensland to meet this and other commitments under the Compliance Compact.
- Basin state governments have worked collaboratively with Commonwealth agencies to update the Meteorological Assurance Framework, which will improve water take accountability across the Basin, but metering reforms need to continue to see full availability – it is concerning that the New South Wales Natural Resources Access Regulator has [found low levels of compliance](#) with the state's non-urban water metering framework.
- Differences between Basin governments' risk-based approaches to when a meter is required continue to feed perceptions that the water rules are unfair. The Australian public's confidence in water compliance will continue to suffer without a minimum Basin-wide threshold for when a meter is required in order to take water.
- The Australian Government has funded the \$35 million Enhanced Water Monitoring and Information Program to improve water measurement, address compliance concerns, and improve community confidence. This includes development of a single water information website, hosted by the Bureau of Meteorology, to streamline the information on water management, water use and water availability to the community. This initiative sits alongside a range of other Commonwealth and state investments to support water compliance.
- This initiative includes a northern Basin information portal, to provide up-to-date water information to the public. While initially northern Basin-focussed, it is anticipated that other Basin states may wish to collaborate to enhance water monitoring and information for the whole of the Murray-Darling Basin.
- While the increase in the availability of water compliance information is a step in the right direction, it remains difficult to compare the compliance systems across different states, and information on the effectiveness of these arrangements is needed to build public confidence and trust in compliance systems.
- The Australian Government is progressing the legislation to establish a Commonwealth Inspector-General of Water Compliance, bringing together the water compliance role of the MDBA with the assurance role of the Interim Inspector-General of Murray-Darling Basin Water Resources. The change will strengthen compliance by creating new water theft and illegal water trading offences and penalties.
- Measures to recognise and protect water for the environment have been implemented by the Basin states, including operational arrangements and systems to account and report on the protection of environmental water. However there remains room for improvement to protect this valuable public asset for the benefit of all Australians.
- The Australian Competition and Consumer Commission (ACCC) published its report into the water market in March 2021. The inquiry found that the regulation of the market has not kept pace with the maturation and growth in water trade across the Basin. The report recommends fundamental reforms to the water market, which will require strong collaboration between Basin governments to achieve transparency improvements and greater consistency in market settings.

Priority five (continued)

Compliance

- In the May 2021 Budget, the Australian Government announced an expert panel would be established to progress water markets reforms to ensure water users can have confidence in their integrity and operation. The expert panel will work with Basin states to develop a road map for water market reform.
- The MDBA commenced its [Water Resource Plan Compliance Program](#) on 1 July 2020. This program will help drive continuous improvement in Basin Plan compliance, with an initial focus on sustainable diversion limits and water accounting; delivery, protection and monitoring of water for the environment; and licence conditions on water access rights.
- The sustainable diversion limits commenced from 1 July 2019, and the MDBA has been working with Basin states to understand compliance against these limits for the 2019–2020 water year.
- Accounting for the water taken across the whole Basin is a complex undertaking, and it is disappointing the MDBA hasn't been able to report back in early 2021 as planned. It's important to get these water take accounts right so there is accurate information and Australians can be confident that water is being taken within the rules.
- All Basin governments should consider ways to reach a level of consistency across jurisdictional water market settings, supported by a set of minimum standards, as a way forward on many of the issues raised by the ACCC's water market enquiry.

What we are hearing

- It's very hard to decipher information about compliance, it's never worded in a way that an average person can understand.
- Stakeholders welcome the ACCC review but have concerns around future user costs and are looking forward to government's responses.
- Creating an Inspector-General of Water Compliance is promising, but the proof will be whether there is actual change.



Priority six

Planning and delivery of environmental water

The health of our rivers is crucial for all Australians. Water for the environment is used to improve the health of rivers, wetlands and floodplains, which benefits communities and industries. Water is allocated to environmental water holders across the Basin, who make decisions about when, where and how much water is released for the environment. They are allocated a water entitlement, like all other water entitlement holders. Stakeholders and partners including government agencies, community and First Nations groups contribute to many environmental watering decisions.

Six organisations hold water for the environment across the Basin. The Commonwealth Environmental Water Holder has the largest portfolio of water entitlements and uses this water across the whole Basin. The MDBA provides advice and guidance to support environmental water holders to plan when and where to release environmental flows, primarily through the MDBA Basin-wide Watering Strategy and the Annual Environmental Watering Priorities. The MDBA also manages the water for the environment held under The Living Murray program.



Environmental water delivery

Environmental water delivery continues to improve the health of the Basin's rivers and wetlands and was particularly important through the recent drought. Collaboration between river operators and across jurisdictions to improve and mature water for the environment delivery processes needs to continue. Joint effort to improve communication is underway to provide communities with confidence that water for the environment is achieving outcomes.

MDBA assessment

- The [2020 Basin Plan Evaluation](#) found that the delivery of water for the environment has been crucial for sustaining water-dependent ecosystems during the recent drought.
- Environmental water holders and Basin state and Commonwealth agencies continue to use environmental water strategically and innovatively to achieve outcomes across the Basin.



Priority six (continued)

Planning and delivery of environmental water

- In the southern Basin, careful planning and strategic collaboration across state and Commonwealth agencies provided a [Southern Spring Flow](#) released from Hume Dam during September to December 2020, combining with flows through 4 major rivers, providing environmental benefits in multiple systems. It also provided a peak flow in the River Murray through to December 2020. This flow helped keep the river healthy for all users and provided much needed food and breeding opportunities for native vegetation fish and wildlife from Yarrawonga to the Coorong.
- Basin governments continue to work on operational policies to support the delivery of water for the environment. This includes establishing a new Environmental Water Committee to bring together members from all Basin state and Commonwealth agencies, including environmental water holders, to accelerate work on these issues.
- Environmental water managers continue to work with First Nations and organisations including the Murray Lower Darling Rivers Indigenous Nations and Northern Basin Aboriginal Nations to [better integrate cultural objectives](#) into the management of water for the environment.
- The 2020 Basin Plan Evaluation, along with other independent published reports, have highlighted the importance of integrating water management with other activities to achieve the ecological outcomes anticipated in the Basin Plan. More work is needed on how to prioritise, invest, assess and integrate natural resource measures with water management and environmental watering and support community environmental stewardship.
- Work has commenced on the update of the Basin-wide Watering Strategy, due in 2023. A broader scope for the strategy is being considered to link with natural resource management measures.
- The MDBA has established 6 Regional Community Forums tied with each of its offices to listen to community input and reflect regional issues in science, monitoring and outcomes.
- The collaboration between river operators and environmental water holders should continue as environmental water delivery processes mature, so these can be embedded in operational processes for Basin-scale watering events to be coordinated in a streamlined way.
- Basin state policy or rule changes should not limit or restrict delivery of water for the environment or decrease its current level of protection. Basin states should consider this requirement early in any process that looks to change rules, including the construction and operation of new infrastructure.
- The risk remains that incomplete water recovery in key catchments, lack of progress to remove constraints, and changes to river operation rules that impact on the ability to deliver environmental water, will continue to limit the ability to achieve the ecological outcomes under the Basin Plan.


What we are hearing

- The Australian public want to know where, why and how much water for the environment is being used, and the difference that it's making to rivers and wetlands.
- Some people feel a bit more secure about the future knowing there is water for the environment – for green spaces and a natural environment.
- There are concerns about what impact new dams may have on planned environmental water.



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