



Australian Government



Summary of Public Feedback

Sustainable Diversion Limit Adjustment Mechanism – Draft Determination



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Acknowledgement of the Traditional Owners of the Murray–Darling Basin

The Murray–Darling Basin Authority acknowledges and pays respect to the Traditional Owners, and their Nations, of the Murray–Darling Basin, who have a deep cultural, social, environmental, spiritual and economic connection to their lands and waters. The MDBA understands the need for recognition of Traditional Owner knowledge and cultural values in natural resource management associated with the basin.

The approach of Traditional Owners to caring for the natural landscape, including water, can be expressed in the words of the Northern Basin Aboriginal Nations Board:

“As the First Nations peoples (Traditional Owners) we are the knowledge holders, connected to Country and with the cultural authority to share our knowledge. We offer perspectives to balance and challenge other voices and viewpoints. We aspire to owning and managing water to protect our totemic obligations, to carry out our way of life, and to teach our younger generations to maintain our connections and heritage through our own law and customs. When Country is happy, our spirits are happy.”

This report may contain photographs or quotes by Aboriginal people who have passed away. The use of terms 'Aboriginal' and 'Indigenous' reflects usage in different communities within the Murray–Darling Basin.

Cover image: Barmah Forest in flood (November 2017)

Foreword

The Basin Plan aims to achieve a healthy and productive river system. To do this, the Basin Plan sets Sustainable Diversion Limits (SDLs), which are how much water can be used in the Murray–Darling Basin, while leaving enough water to sustain natural ecosystems. When the Basin Plan was established, it was acknowledged by all Basin governments that adjustments to SDLs across the Basin may be needed. The Adjustment Mechanism was built into the plan to provide this flexibility.

Over the coming years, a suite of projects nominated by state governments will be implemented across the Basin. Through the proposed projects under the Adjustment Mechanism, natural system outcomes are being sought, but with less water. Therefore, more water can remain in the system for other users, including households, industry and irrigated agriculture. In October 2017, the Murray–Darling Basin Authority (The Authority) determined that 605 gigalitres (GL) of water can remain available for southern Basin communities, through the implementation of the proposed Adjustment Mechanism projects.

The Authority sought feedback from the public on this determination from 3 October 2017 to 3 November 2017. Throughout this period, 3185 submissions were received. In September and October there were 29 public information sessions held, with over 700 people across the Basin attending one of these sessions. The Authority welcomes this substantial contribution and the feedback will be important in designing, implementing and evaluating supply projects. This report summarises feedback from both the face-to-face sessions and also the written submissions received.

The issues or opportunities raised by the public have been considered by Basin governments, in determining the proposed adjustment to SDLs. This means the recommendation to the Commonwealth Minister responsible for Water will remain the same. The Authority is confident that 605 GL of water can remain available for communities and equivalent Basin Plan environmental outcomes can be achieved under this adjustment, and is committed to the same or better socio-economic outcomes. Subject to existing water recovery contracts being delivered and the implementation of the SDL Adjustment Mechanism efficiency component, it is expected there will be no further water recovery in the southern Basin.

More needs to be done to work with communities and industries in the design and implementation of these SDL Adjustment Mechanism projects. It is noted that the timeframe for consultation on some of these projects has been short, and there is a need to embed better consultation processes into project delivery.

The Authority has made a number of recommendations, outlined in this report, including ongoing consultation and engagement from all Basin governments over the coming years. Basin state governments must commit to ongoing consultation with communities and experts in the design and implementation of projects, to ensure local and project-specific concerns and issues are considered throughout this process.

The Authority will play a key role in monitoring the integrity of the Sustainable Diversion Limit Adjustment Mechanism and the package of projects. To achieve this the Authority will establish transparent regular reporting processes to communicate to Basin governments and communities the progress of individual projects and the package of projects as a whole.

The determination is one part of a big plan to manage the system as a whole for Australia. The Authority has noted there are concerns about other aspects of implementing the Basin Plan. Compliance is integral to the implementation of the Basin Plan and is a key priority. The Authority will work with all Basin governments to ensure regulators are more active, consistent and transparent in enforcing compliance. The Authority is also aware that assessing cultural flows is still evolving and will continue to work with Aboriginal nations to develop a good understanding of cultural flows within the Basin.

The public feedback received has been used to provide advice to the Commonwealth Minister responsible for Water—once approved, it is then tabled in Parliament. This is just the start of the process. Basin state governments have until 2024 to complete the projects, and will work with communities, industries and experts on project design and implementation.

Key recommendations to Basin governments

1. As project proponents, Basin state governments must commit to **ongoing consultation** with stakeholders, Aboriginal people and local communities, in the ongoing design and implementation of projects, to **ensure local issues and knowledge are effectively considered** throughout this process. The Authority recommends each project has a customised approach to enable effective two-way communication with interested parties and communities.
2. To strengthen public confidence, it is imperative that effective program governance and accountability is implemented at the outset. This includes regular and coordinated public reporting.

Key Themes

Overall adjustment to Sustainable Diversion Limits

There are a wide range of views on the proposed adjustment to Sustainable Diversion Limits. The Authority has considered the issues raised in the public comment period and remains confident the proposed adjustment, in combination with the package of projects, will achieve equivalent environmental outcomes and the changes to Sustainable Diversion Limits continue to reflect an environmental sustainable level of take. No new information or evidence was put forward during the public comment period to change this conclusion.

Some comments support increasing the Sustainable Diversion Limit and express the view that more water available for consumptive use is positive for water users. Other stakeholders feel the proposed 605 GL adjustment is too low and that governments should deliver the full 650 GL adjustment as ‘all water recovery has an impact’.

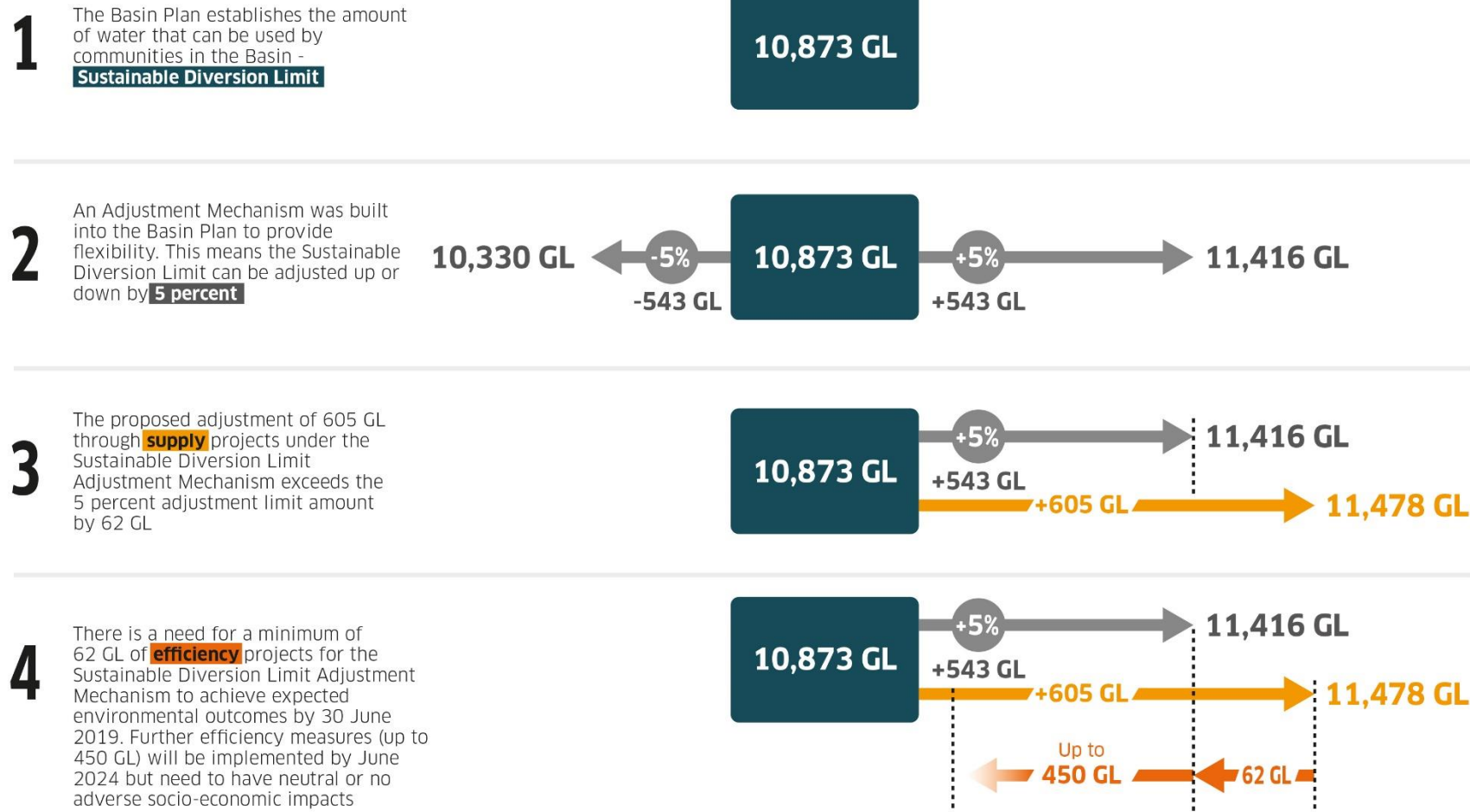
Others view the 605 GL adjustment as a reduction in ‘real water’ available for the environment. Some public feedback proposes the Murray–Darling river system needs 3,200 GL of ‘real’ water to repair environmental degradation. There are concerns about the threat of incrementalism and this proposed adjustment undermines the progress made by the Basin Plan to restore river health. Some suggest the proposed 605 GL adjustment is outside the 5 per cent of the whole-of-Basin Sustainable Diversion Limit specified in the Basin Plan and is therefore unlawful.

The Authority has assessed the suite of supply projects nominated by Basin governments and determined that 605 GL represents the maximum adjustment that can be achieved while still meeting all Basin Plan criteria, including environmental equivalence, limits of change and the specific outcomes included for the Coorong, Lower Lakes and Murray Mouth.

The Basin Plan limits the amount that Sustainable Diversion Limits can be adjusted. The Basin-wide Sustainable Diversion Limit for surface water is 10,873 GL and this can be adjusted up or down by 5 per cent (approx. 543 GL). There is some confusion around its application but it has been applied as outlined in Figure 1. The assessment of supply projects has determined the Sustainable Diversion Limit can be adjusted up, so that 605 GL of water can remain available for communities. To reach this target, 62 GL of additional water savings through efficiency projects is required to pass the 5 per cent rule.

The current assessment of supply projects is a key step in implementing the Basin Plan. It is important to recognise the determination is one of a number of key milestones in the ongoing operation of the Sustainable Diversion Limit Adjustment Mechanism, which has been in operation since 2012 and will not be finalised until 2024.

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* The SDL Adjustment Mechanism determination was made at a point in time and does not take into consideration Northern Basin amendments that have been tabled in Federal Parliament.

Figure 1: How the SDL Adjustment Mechanism and the 5 per cent rule works in conjunction with supply and efficiency projects

The package of supply projects

The Authority agrees that communities have every right to understand the impacts of the projects and that, to date, there has been limited detailed information available for all supply projects.

Stakeholders have called for more open, transparent and regular consultation and communication with communities on the Sustainable Diversion Limit Adjustment Mechanism package of projects. Stakeholders want to see a credible and transparent process to deliver the projects by 2024.

The feedback received during the public comment period identified concerns with individual projects and the management of the projects as a whole.

Project specific issues

Feedback included apprehension around the Menindee project and the lack of consultation and information. There are also concerns that this projects' social, economic and environmental impacts have not been resolved.

Proposed constraints projects were also raised in the public comment period as a concern. Issues raised ranged from the inundation of private land due to the flow rates proposed through to constraints relaxation levels not being high enough to achieve downstream outcomes (e.g. to achieve flows of 80,000 ML at South Australian border).

The Authority has captured the information provided about specific projects and will provide this information to the Basin state governments responsible for the projects. This information will be used by the Basin state governments to inform the next steps for the design and implementation of individual projects.

Basin governments have agreed to adaptively manage the projects during implementation from 2018–2024, including ensuring a strong framework of program management and monitoring and evaluation (Figure 2). Ongoing engagement, and the involvement of a wide range of people including communities, industries and experts in the design and implementation of the projects will be crucial to their successful delivery.

The following will help to further inform project design:

- compliance with regulations including environmental impact assessment and cultural and heritage legislation
- ongoing community and stakeholder consultation on the objectives, detailed design and operation of the project
- further technical advice and assessment

- advice and refinement in consultation with river operators and governments including negotiation of changes to river operating rules.

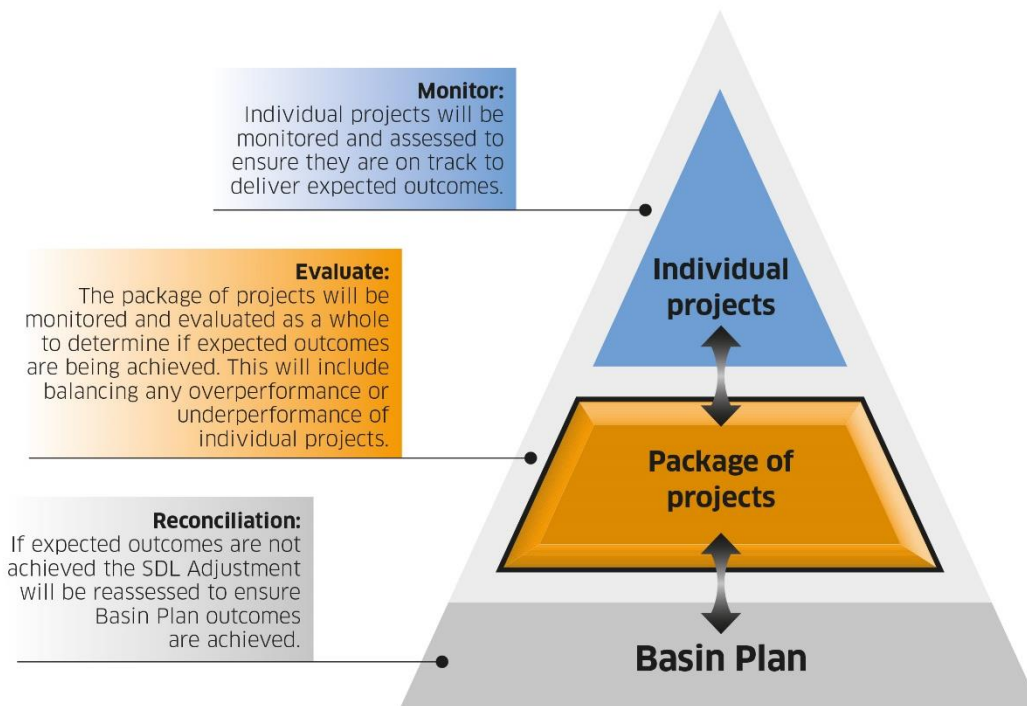


Figure 2: SDL Adjustment Mechanism project monitoring and evaluation by the Authority

This adaptive approach provides governments and communities with flexibility to strengthen the Sustainable Diversion Limit Adjustment Mechanism supply projects to get the best outcomes possible for the investment being made by governments.

Stakeholders also highlight the importance of the projects having no third-party downstream impacts, such as changes to reliability.

In their assessment of potential impacts on the reliability of supply for the proposed SDL adjustment, state government managers have taken into account the fact the model represents conditions as at 2009 and policy and management changes since then may have negated or offset any issues associated with the proposed adjustment.

The issue of reliability has been considered by the Basin Officials Committee, which agree that if the operation of the SDL Adjustment Mechanism has the potential to result in reduction of reliability for entitlement holders, state governments will work together to find real world solutions to address those reliability concerns, consistent with the requirements in the Basin Plan.

The Adjustment Mechanism assessment approach has a number of tests that ensure that any actions in one area do not have an undue adverse impact on other areas. The Authority is confident that downstream impacts have been considered in the Draft Determination, and that

any other issues that arise or are identified will be resolved through project implementation processes.

Program management

The Authority expects that most projects will change and adjust in some way during implementation. As a package, environmental outcomes equivalent to 2750 GL must be achieved. The Authority's assessment provides confidence for Basin governments that the package as a whole is achievable and practical.

Some feedback from the public identifies that there is limited confidence the projects will deliver the environmental outcomes expected, and therefore the package does not justify an adjustment to the SDL. This feedback is linked to the lack of detailed information on the projects.

The Authority will play a key role in monitoring the integrity of the Sustainable Diversion Limit Adjustment Mechanism and the package of projects by establishing regular transparent reporting processes to communicate to Basin governments and communities on the progress of individual Sustainable Diversion Limit Adjustment Mechanism projects and the package of projects as a whole.

In 2024, the Authority will review the package of projects as implemented by the Basin state governments, and if project changes result in a different outcome when considered as a whole package, the Authority will undertake reconciliation and potentially recommend a further adjustment to the Sustainable Diversion Limit.

The method to determine the adjustment

Many stakeholders have taken the opportunity to restate views and information that has been previously provided to the Authority through various means. Some of the more detailed feedback or particular points raised have been referred to Authority experts involved in developing the evidence base for the Sustainable Diversion Limit adjustment. Their analysis of the public feedback has not revealed any new information that is likely to materially affect the evidence used to determine the proposed Sustainable Diversion Limit adjustment.

There are a range of views about the method used to determine the adjustment and assess supply measure projects, and about whether the evidence used to determine changes to Sustainable Diversion Limits is sufficient.

Feedback indicates there are concerns the Authority has not used the best available information and scientific evidence. Some feedback suggests the Authority should consider further information, such as scientific studies and statistical analyses. In some cases, stakeholders have undertaken their own research and analysis, which they provided to the Authority for consideration.

Questions have also been raised over the Authority's modelling. Some claim the modelling is flawed or not fit-for-purpose, that it does not reflect real life operations or environmental realities, and that climate change hasn't been taken into account. Some claim the Authority has not provided enough information about the modelling process to allow for proper public scrutiny.

The Authority agrees that models are not perfect representations of the system and information gaps exist. The Authority is working to address these gaps so that future decisions can be based on enhanced evidence. The [independent review](#) of the Authority's modelling concluded the modelling framework was suitable for Sustainable Diversion Limit Adjustment Mechanism purpose. Basin governments are actively working on a science strategy to improve the collective Murray-Darling Basin knowledge base. This is an ongoing commitment that Basin governments should seek to continuously improve.

Modelling provides only part of the information that goes into the decision-making process. The views of engineers and experts, as well as feedback from communities, are also considered in decision-making.

The Authority has followed the method set out in the Basin Plan to calculate the supply contribution associated with the package of projects notified by state governments. The assessment framework includes a range of technical components, in addition to considering advice from independent experts in hydrology and environmental science.

The Authority remains confident the method to determine the adjustment is scientifically rigorous and suitable for the adjustment. The assessment method was trialled and thoroughly reviewed by independent experts and all Basin governments, including an independent review of the modelling (Drew Bewsher 2017) and a review of the ecological elements scoring system by the Independent Expert Panel (Brookes J, Hillman T, Jones G, Stewardson M 2014).

An independent expert panel comprising ecologists and hydrologist also assessed the limits of change breaches and reported that these breaches are not material and there is very little environmental risk associated with them. The independent expert panel recommended that appropriate monitoring and evaluation be put in place in implementing the projects and to address knowledge gaps and the Authority supports and accepts these recommendations.

All independent reviews are available on [the Authority website](#).

The Authority is confident the Sustainable Diversion Limit adjustment of 605 GL has been properly calculated. Some members of the community have concerns around “fake” accounting for environmental water, however the method applied to calculate the offsets amount is robust, to avoid such outcomes. The benefits from the various projects come from a range of sources. In some cases, this is a direct water saving from reduced evaporation, while other projects, such as the relaxation of constraints, and environmental works, allows environmental water to get on to the floodplain. Others, like the River Murray Increased Flows rule changes, allow the existing water to be applied to achieve a better ecological outcome. The assessment method was applied to the package of projects as a whole – this means the “value” of an individual project cannot be determined. The assessment of the package ensures that all interactions between projects have been considered, and that no double counting can occur.

Aboriginal values and uses

The Authority acknowledges that Aboriginal people have a right to understand the impacts of the Sustainable Diversion Limit Adjustment Mechanism projects and there is limited detailed information available for all supply projects to fully consider implications for Aboriginal people and their cultural values. The Authority also acknowledges the timeframe for consultation on some of these projects has been short, and that Basin governments need to embed better ways of working with Aboriginal people and Traditional Owners on project delivery into the future.

Feedback provided suggests the impacts of the revised water recovery target on Aboriginal cultural values and cultural flows have not been assessed, and that the assessment methodology did not consider Aboriginal cultural values. Aboriginal people who supplied feedback or provided input during earlier consultations feel there is a lack of free prior and informed consent and an ongoing need for water for Aboriginal cultural uses.

All projects developed under the Adjustment Mechanism are required to meet current Aboriginal cultural and heritage legislative requirements, as well as any Native Title legislation at project locations. Governments and delivery partners, such as Catchment Management Authorities, are committed to working with Aboriginal people at a local level to ensure cultural values and heritage are protected at a site level. Ongoing consultation will occur through the design and implementation phase.

The Authority is currently working with Aboriginals and Traditional Owners to describe the importance of environmental water and healthy rivers and wetlands and how implementation of the Basin Plan can better serve Aboriginal people. The creation of mechanisms to provide cultural flows is still evolving and the Authority continues to support Aboriginal Nations to help develop a good understanding of cultural flows within the Basin.

The Authority continues to support the Murray Lower Darling Rivers Indigenous Nations and Northern Basin Aboriginal Nations to conduct research into how cultural flows can be better incorporated into water management frameworks and government decision-making. As new knowledge is forthcoming, it is hoped such knowledge can be used in the implementation and possible reconciliation of supply measures.

Pre-requisite policy measures

Feedback was raised by the public about whether the ‘pre-requisite policy measures’ referred to in the Basin Plan are properly configured in the model. Pre-requisite policy measures is the term used to describe a number of unimplemented policy measures mentioned in the Basin Plan, which were assumed to be addressed when establishing the Sustainable Diversion Limit. Pre-requisite policy measures have been included in the benchmark model in the Authority’s report on [*the Benchmark conditions of development for assessment of the Sustainable Diversion Limit supply contribution*](#) (page 32).

Pre-requisite policy measures implementation plans have been developed for the southern system. These plans describe how Basin state governments and the Authority will implement the required measures by June 2019. The Authority has assessed these plans and concluded the plans provide a credible pathway for implementing the Pre-requisite policy measures by June 2019.

Efficiency projects

Unlike supply measures, the Basin Plan allows for new efficiency measures to continue to be brought forward under the Basin Plan until December 2023. Basin governments have committed to working collaboratively on the best pathway for efficiency measures to recover an additional 450 GL by 2024, consistent with the Basin Plan legal requirement to achieve neutral or improved socio-economic outcomes.

The Council of Australian Governments re-affirmed its commitment to delivering the Basin Plan on time and in full in March 2017. This includes outlining a plan of work to implement efficiency measures.

Feedback suggests there are concerns governments will not follow through with efficiency projects or have not tried hard enough to find efficiency projects, while others have asked about what will happen if the efficiency projects don't deliver expected savings. There are concerns there will still be water buy back and some argue that all water recovery, even through efficiency measures, has social and economic impacts.

Basin governments are awaiting the outcomes of an independent expert analysis (completed by consultants EY) on how best to design, target and resource efficiency measure programs. The study will take into account information arising from the Authority's evaluation of Basin Plan impacts and any other relevant information. This evaluation, supported by other relevant analysis, such as studies by state governments, will form the basis of knowledge to inform the expert advice on design of efficiency measure projects to mitigate any impacts.

There is an intention to develop a specific work plan for implementation of efficiency measures, with annual water recovery targets, which will recover sufficient water through efficiency measures to maximise the Sustainable Diversion Limit offset within the five per cent limit and beyond.

Progress and program funding will be reviewed by 30 September 2019 to ensure that there is sufficient funding to deliver the efficiency measures program. The Commonwealth On-Farm Further Irrigation Efficiency (COFFIE) pilot program is underway in South Australia and the design of the final program and its roll-out may change depending on the outcomes of the EY review.

Environmental implications of the SDL adjustment

The SDL adjustment is about fundamentally changing the way in which the rivers of the southern Basin are operated. Through the delivery of 36 supply projects, the Authority's modelling shows a lower volume of held environmental water can be used more effectively and efficiently to achieve equivalent environmental outcomes, with social and economic benefits. The Authority acknowledges feedback that implementation of these projects is not without risk and appropriate risk management and adaptability will be required as part of project implementation.

Feedback received from the public highlights the Sustainable Diversion Limit adjustment is a positive step in implementing the Basin Plan that was built in to achieve a healthy, working Basin. These projects can provide a rare opportunity to restore and protect flood dependent natural assets against further ecological degradation.

The Authority has identified the Sustainable Diversion Limit can be adjusted, while still achieving equivalent environmental outcomes of a fully implemented Basin Plan. The assessment framework includes consideration of key environmental components, such as hydrological indicator sites, ecological elements and ecological equivalence scoring. The Authority has a number of tests to assess changes between the benchmark (fully implemented Basin Plan) and Sustainable Diversion Limit model run. The Authority's assessment identified the Sustainable Diversion Limit model maintains or improves on the Basin Plan, including:

- flow and salinity targets for the Coorong, Lower Lakes and Murray Mouth are met with the Sustainable Diversion Limit model run, and do not deteriorate from the Benchmark (the model run of a fully implemented Basin Plan)
- limits of change requirements are met except for two identified breaches in Site-Specific Flow Indicators.

An independent expert panel investigated limits of change breaches for the 605 GL adjustment. The panel found that neither of the two identified breaches of Site-Specific Flow Indicators are material or significant in terms of their likely impact on ecological responses of birds, fish and vegetation. This review is based on the principle in the Basin Plan to consider the 'best available' information at the time. The expert panel used up to date eco-hydrology information and expert river operator knowledge to identify that any breaches are not substantial or could be mitigated through river operations.

Some feedback highlight the environmental risks associated with works projects stating they have not been adequately considered and are unacceptable, such as water quality and pest species. This includes possible impacts of construction on water dependent ecosystems and cultural values and heritage. There are also concerns the adjustment will compromise the

Authority's obligations under Ramsar, and undermine the gains made by the Basin Plan to protect and restore Ramsar listed wetlands.

The Authority has conducted an assessment of the impacts of the Sustainable Diversion Limit adjustment on Ramsar listed sites in the southern Basin. Based on this initial assessment, the Authority is confident that as a package, the projects are not likely to have significant adverse impacts on the eight potentially affected Ramsar wetlands. However individual projects must assess Ramsar impacts as part of their approvals process, and if impacts are identified these will need to be managed as part of ongoing risk mitigation.

Possible water quality risks have been identified in the supply measure business cases. All risks have been assessed as having appropriate mitigation actions identified, however risk strategies need to be further developed as part of the design and implementation of the projects with communities, as well as comply with relevant state legislation around water quality and environmental protection.

Salinity targets for the Coorong, Lower Lakes and Murray Mouth are met for the 605 GL adjustment model run and perform the same or better than the Benchmark. Salinity outcomes have substantially improved through coordinated efforts by all Basin governments, and will continue to be managed in line with the Basin Salinity Management Strategy 2030.

The Authority acknowledges the limitations in the modelling approach in terms of accounting for possible future climate scenarios. However the modelling uses a repeat of historical climate, which includes significant climate variability, including severe drought. Advice was also sought from independent experts in hydrology and environmental outcomes to consider likely implications of drought periods on environmental outcomes.

Social and economic implications of the SDL adjustment

The Sustainable Diversion Limit Adjustment Mechanism's overall intention is to improve social and economic outcomes by reducing water recovery, while delivering equivalent environmental outcomes set out in the Basin Plan. Adjusting Sustainable Diversion Limits is a key step in implementing the Basin Plan. The Sustainable Diversion Limit Adjustment Mechanism was built into the Basin Plan so the Plan is able to adapt.

The recommendation to adjust the Sustainable Diversion Limit means 605 GL of water can remain available for communities. If the recommendation is adopted, it will improve certainty for water entitlement holders. Subject to existing water recovery contracts being delivered and the implementation of the Sustainable Diversion Limit Adjustment Mechanism efficiency component, this will mean no further water recovery in the southern Basin. This will deliver positive social and economic outcomes for irrigation communities. The delivery of the Sustainable Diversion Limit supply measure projects will result in a \$1.3 billion investment in regional Australia. There will be economic benefits to communities and industries in the Murray–Darling Basin through the delivery of many years of environmental works and measures.

Stakeholders, through their input at public meetings and written feedback, have welcomed the positive social and economic outcomes of the proposed adjustment amount. Feedback has highlighted potential benefits through increased employment and investment opportunities across the southern Basin, made possible through the delivery of projects.

Concerns have also been raised through public feedback about the social and economic implications of specific projects, primarily the Menindee project and constraints measures. Comments highlighted that cultural, social and economic benefits of a healthy river system have not been adequately considered, including recreational fishing, tourism and costs to social wellbeing when river flows are low and water quality is poor.

In some areas, the Authority acknowledges there will be social and economic implications of individual projects. The Menindee lakes project and constraints works represent major reforms and changes to the way the river has been operated for many years. Working closely with local landholders and communities to identify social and economic impacts and mitigate them as projects progress, will be essential in the coming years. State governments will be consulting with communities in designing and implementing the projects to ensure that social and economic concerns are considered and resolved.

The Authority is currently evaluating the social and economic impacts of Basin Plan implementation and early findings will be released in April. As part of the Authority's ongoing monitoring and evaluation reporting, considerations will include the effects of different programs,

such as the operation of the Sustainable Diversion Limit Adjustment Mechanism. The Authority will also continue to monitor and report on the cultural, social and economic benefits of a healthy river system, such as fishing and tourism.

Other issues

A variety of other issues were raised during the public comment period, which are relevant to the implementation of the Basin Plan and water management more generally. Feedback was provided on the following issues:

- competing demands for channel capacity due to the volume of held environmental water, land planning changes and release patterns
- the implementation of the Basin Plan and evaluation of outcomes, including concerns around a lack of observed benefits from the environmental water recovered so far
- potential impacts or interactions resulting from Northern Basin Review on outcomes in the southern Basin and the SDL Adjustment Mechanism
- a variety of salinity concerns e.g. salt flushing at the Coorong, Lower Lakes and Murray Mouth, salt build up at infrastructure
- complementary environmental outcomes undertaken on farm have not been widely understood or appreciated as part of the Basin Plan process
- the value of complementary measures have not been adequately considered in SDL process.

The Authority will take these issues into account as part of the adaptive management approach to implementing the Basin Plan. The Authority will also share feedback with Basin governments, where relevant, and develop action plans.

Stakeholders raised particular concerns about changing Sustainable Diversion Limits when there are unresolved reviews into compliance, and concerns that the environmental water recovered is already being undermined. The Authority sets SDLs at an environmentally sustainable level of take, as outlined in the Basin Plan. These Basin Plan settings then rely on effective monitoring and compliance. Compliance in the Basin must be addressed to deliver healthy and productive rivers through the Basin Plan and for people to have trust in the system.

The Authority, supported by an independent expert panel, has undertaken a [Basin-wide Compliance Review](#) looking at the legislative, policy and practical implementation of compliance across the Murray–Darling Basin. The review, released in late November, found compliance systems and activities in some jurisdictions are more robust and effective than in others. The review also found that all Basin regulators must be more active, consistent and transparent in enforcing compliance. The recommendations of the Review will be taken to the Murray–Darling Basin Ministerial Council and Council of Australian Governments (COAG), where the Authority will be seeking COAG’s support to ensure all jurisdictions implement the recommendations in full.

Next steps

Proposing the Sustainable Adjustment Limit Mechanism projects is just one step in a long process to reform environmental water delivery in the southern Basin.

The feedback that was received in the public comment period and in broader public consultation has been used to provide a recommendation to the Commonwealth Minister responsible for water—once approved by the Minister, it is then tabled in Parliament.

As the Authority highlighted in its recommendations, the Authority will maintain strong program oversight of the package of Sustainable Adjustment Limit projects. The Authority will establish transparent reporting mechanisms to communicate to Basin governments, stakeholders and communities on the progress of the supply measure program. Feedback shows the level of information provided to date on the projects has been insufficient and the Authority is committed to a transparent and accountable process moving forward. Basin state governments must commit to ongoing consultation with communities and experts in the design and implementation of projects, to ensure local and project-specific concerns and issues are considered throughout this process.

This is just the start of the process. Basin state governments have until 2024 to complete the projects, and will work with communities, industries and experts on project design and implementation. The MDBA will monitor and evaluate the effectiveness of the projects over this period and if required will reconcile in 2024 to ensure Basin Plan environmental outcomes are achieved.