

Introduction



Chapter 1

*Torrumbarry weir pool on the River Murray, downstream of Echuca,
on the Victorian and New South Wales border*

1.1 Purpose of the *Guide to the proposed Basin Plan*

The Murray–Darling Basin Authority (MDBA) was established by the *Water Act 2007* (Cwlth) and charged with preparing a plan — the Basin Plan — which will provide a foundation for managing the water resources of the Murray–Darling Basin in an enduring and sustainable way.

The Water Act requires MDBA’s proposed Basin Plan to become the basis for public input and consultation before it is provided to the Commonwealth Water Minister for adoption as a legislative instrument.

MDBA has produced the *Guide to the proposed Basin Plan* to assist all interested parties in understanding the basis of the proposed Basin Plan before the formal, legislated consultation process begins. This will enable people to see all the details of what is being proposed in plain English, and the rationale behind MDBA’s proposed positions. In addition, the guide will give interested parties the opportunity to provide MDBA with feedback ahead of the release of the proposed Basin Plan next year.

The *Guide to the proposed Basin Plan* consists of an overview of the Murray–Darling Basin Plan, separate guides to the 19 Basin regions, and this volume — the technical background.

MDBA understands there is significant community interest in what the proposed Basin Plan will contain. Release of the guide will help to ensure stakeholders are fully informed when the proposed plan is released and the formal 16-week consultation period, as required by the Water Act, commences.



River red gum on the bank of the River Murray, Gunbower Forest, Victoria

1.2 What’s covered in this volume

This volume reflects the content of the overview and the regional guides, but at a more detailed level, with more of the technical background identified and explained.

The *Water Act 2007* (Cwlth) requires the Basin Plan to include information about the Basin’s water resources; the uses to which these resources are put; who their users are; and the socioeconomic circumstances of communities dependent on the Basin’s water resources. Chapter 2 of this volume examines all this information in detail.

Chapter 3 deals with the development of the proposed Basin Plan, including the setting of objectives and desired outcomes aimed at addressing risks to the Basin’s water resources and establishing a sustainable framework for managing the Basin’s water resources into the future. The chapter also explains the proposed water management boundaries, and describes the evidence base that underpins the proposed Basin Plan.

The proposed long-term average sustainable diversion limits (SDLs) on the volume of water that can in future be taken from the Basin’s water resources and aquifers are discussed in Chapter 4, together with a description of the

Basin's environmental assets and of the socioeconomic information that is helping to develop the SDLs. The chapter also discusses the effects of climate change on the SDLs, and explains the proposed provisions for critical human water needs (as defined in the Water Act).

The transition to the new arrangements is examined in Chapter 5, including the time frames for commencement and measures that will be undertaken in the adjustment period to provide support to entitlement holders and communities. These include risk allocation, temporary diversion provisions and other assistance under the Water for the Future program.

Chapter 6 examines the implementation of the new arrangements, detailing in particular the framework of two major elements required by the Water Act to be included in the Basin Plan — the Environmental Watering Plan and the Water Quality and Salinity Management Plan. The chapter also looks at the rules governing water trade, the requirements that must be met before a water resource plan will be accredited and the accreditation process itself.

A discussion of the Murray–Darling Basin Authority's strategies to monitor implementation of the Basin Plan's measures can be found in Chapter 7; specifically, how compliance will be enforced and non-compliance dealt with, along with details of the monitoring, evaluation and reporting framework. Finally, the chapter contains information on the ongoing process of reviewing the Basin Plan itself.

1.3 Role of the Commonwealth

Murray–Darling Basin Authority

The *Water Act 2007* (Cwlth) requires the Murray–Darling Basin Authority (MDBA) to develop a Basin Plan that will provide for the long-term integrated management of the Basin's water resources, so as to promote the objectives of the Water Act.

The Basin Plan is required to:

- describe the Basin water resources
- identify water resource plan areas and water accounting periods
- identify the risks to the condition or continued availability of Basin water resources and strategies to manage those risks
- specify management objectives and outcomes to be achieved by the Basin Plan
- set long-term average sustainable diversion limits (SDLs) that reflect an environmentally sustainable level of take for the Basin's surface-water and groundwater resources
- set temporary diversion provisions
- specify the method for determining compliance with SDLs
- include an Environmental Watering Plan
- include a Water Quality and Salinity Management Plan
- specify accreditation requirements for water resource plans
- specify water trading rules
- specify a program for monitoring and evaluating the effectiveness of the Basin Plan



Waterbirds on Mundoo Island at the mouth of the River Murray, South Australia

- specify various matters in relation to providing for critical human water needs, including the volume of water required to meet critical human water needs in the River Murray system
- identify the Commonwealth's share of risks arising from changes to the volume or reliability of water allocations.

Commonwealth Water Minister

Under the Water Act, the Commonwealth Water Minister is responsible for adopting the Basin Plan.

After the plan commences, MDBA is responsible for implementing and enforcing the Basin Plan. The minister's central role in this is to determine, on considering MDBA's recommendations, whether or not to accredit water resource plans as being consistent with the Basin Plan. Once a water resource plan is accredited it will provide certainty of water management arrangements in that local area for up to 10 years.

The minister has a number of other related roles including:

- certain step-in powers with respect to water resource planning activities
- determining any payments to be made by the Commonwealth under the risk allocation framework
- making water charge and water market rules
- requesting MDBA to review the Basin Plan if the minister considers that the plan's outcomes are not being achieved or its objectives are no longer appropriate for all or part of the Basin's water resources.

The minister also chairs the Murray–Darling Basin Ministerial Council.

Commonwealth Environmental Water Holder

The Water Act established the office of Commonwealth Environmental Water Holder, which is responsible for managing the Commonwealth's environmental water holdings for the purpose of protecting and/or restoring the Murray–Darling Basin's environmental assets and those of other areas outside the Basin where the Commonwealth holds water (Department of the Environment, Water, Heritage and the Arts 2010a).

Water held and managed by the Commonwealth Environmental Water Holder helps to ensure Australia's compliance with commitments made under international agreements (such as the Convention on Wetlands of International Importance, also known as the Ramsar Convention). For example, in 2008–09, 10.9 GL of water from Commonwealth environmental water holdings were used at 10 sites in South Australia, Victoria and New South Wales (Department of the Environment, Water, Heritage and the Arts 2010b). This watering program was aimed at protecting mature river red gum (*Eucalyptus camaldulensis*) communities, pockets of healthy ecosystems in drought-affected floodplains and wetlands, and refuges for threatened species, such as the Murray hardyhead (*Craterocephalus fluviatilis*) and the southern bell frog (*Litoria raniformis*) (Department of the Environment, Water, Heritage and the Arts 2010b).

Once the Basin Plan comes into effect the Commonwealth Environmental Water Holder must manage the water it holds in the Basin in accordance with the Environmental Watering Plan.

Australian Competition and Consumer Commission

According to the Water Act (s. 22(1) item 12), the Basin Plan must include rules for the trading and transfer of tradeable water rights, to ensure a Basin-wide approach to water trade. MDBA is required to obtain and have regard to the advice of the Australian Competition and Consumer Commission in preparing water trading rules under the Basin Plan (s. 42 (2)).

On 6 March 2009, the commission released an issues paper seeking stakeholder views on water trade within the Basin; 21 submissions were received in response. The commission then released its *Water trading rules position paper* on 10 September 2009; 18 submissions were received in response.

The Australian Competition and Consumer Commission released its draft advice on the development of water trading rules on 17 December 2009. The stakeholder consultation on the draft advice closed on 1 February 2010. The commission provided its *Water trading rules: final advice* to MDBA in March 2010.

National Water Commission

Under the Water Act, the National Water Commission may audit the effectiveness of the implementation of the Basin Plan. The first audit must be completed within five years of the commencement of the Water Act (which will be March 2013) and subsequent audits must be completed within five years of each previous audit. The National Water Commission must give the Commonwealth Water Minister a written report on each of its audits and give copies of the report to MDBA and to the relevant minister of each Basin state.

The National Water Commission will periodically report on the plan's implementation, while MDBA will continue to monitor and evaluate the impact and effectiveness of plan provisions.

Bureau of Meteorology

As part of its new role in water information under the Water Act (s. 120), the Bureau of Meteorology is developing a water information service, the Australian Water Resources Information System. This system will consolidate information on water flow, water storage, groundwater, water trading and water quality from more than 200 sources across Australia (Bureau of



Canoeing on environmental flows in Gunbower Forest, 2002, Victoria

Meteorology 2010). The Bureau of Meteorology also has an obligation to collect water information, including information about rights, allocations and trades in relation to water. The bureau gathers information on a national level, while MDBA focuses on more specific and detailed information for the Basin. MDBA will work with the bureau and other relevant agencies to enable coordination of these functions.

1.4 Role of the Basin states

The Australian Government and Basin states (Queensland, New South Wales, the Australian Capital Territory, Victoria and South Australia) are signatories to the Murray–Darling Basin Agreement, the purpose of which is to promote and coordinate effective planning and management for the equitable, efficient and sustainable use of the water and other natural resources of the Basin. Signatories to this agreement have membership on the Murray–Darling Basin Ministerial Council and as such are an integral part of the planning and management process.

As the holders of data, information and knowledge about the Basin’s water resources and environmental assets, Basin states play a key supporting role in relation to the Basin Plan’s development. Basin states must be and are being consulted in the preparation of the proposed Basin Plan.

After the Basin Plan is adopted, the Basin states will continue to administer water entitlement and allocation arrangements through their water resource plans. These water resource plans will be progressively reviewed under state and territory legislation and amended so that they are consistent with the Basin Plan’s diversion limits and other requirements. A process of accreditation will be used to ensure that the water resource plans are consistent with the Basin Plan — this involves the Murray–Darling Basin Authority (MDBA) providing advice to the Commonwealth Water Minister as to whether the water resource plan is consistent with the Basin Plan.

Basin states must act consistently with the Basin Plan, which will require them to undertake various activities such as monitoring, evaluation and planning for environmental watering. The Water Act requires the Basin states to report annually on compliance with the plan’s diversion limits.

1.5 What's next

With the release of the *Guide to the proposed Basin Plan*, the Murray–Darling Basin Authority (MDBA) will commence a period of explaining its proposals for the Basin Plan. The proposed Basin Plan itself will be in the form of a legislative instrument. When it is released, together with a plain English summary, the official public consultation period will commence (under the *Water Act 2007* (Cwlth); this must last for a minimum of 16 weeks), and the process of informing, explaining and listening will continue. The community will be invited to provide feedback on the guide and make submissions on the proposed Basin Plan; further information will also be available through peak bodies and at MDBA's website, www.mdba.gov.au. The website will explain how feedback or submissions can be made and how other information on the proposed Basin Plan can be accessed. MDBA can also be contacted by calling 1800 230 067 or emailing engagement@mdba.gov.au.

Submissions received will be published on the MDBA website, and when the public comment period has finished, a summary of the submissions received will be produced, together with information on any resulting amendments to the plan.

When MDBA has taken comments into account, the Murray–Darling Basin Ministerial Council will consider the proposed Basin Plan, together with MDBA's assessment of the likely socioeconomic implications of any reductions to diversion limits. MDBA will then present the proposed plan to the Commonwealth Water Minister for consideration and adoption. It will become law when the minister adopts it, which is expected to happen in 2011.

The long-term average sustainable diversion limits (SDLs) set out in the Basin Plan will not be implemented until existing water plans are replaced by accredited water resource plans that include the SDLs and other elements required by the Basin Plan. The current plans begin to be replaced in 2012 and will be completely replaced by 2019. Once accredited, the water resource plans will remain in effect for 10 years, with the possibility of a one-year extension period.

Restoring the Murray–Darling Basin to health and managing its resources sustainably into the future will be an ongoing and evolving task, and to reflect this, the Basin Plan will be reviewed and revised as the consequences of its application are monitored and evaluated, and as knowledge about the Basin expands.

