



Fact Sheet

How the sustainable diversion limits in the Basin can change

1. The sustainable diversion limit (SDL) is the limit on how much water can be sustainably taken from the Basin's rivers

The Basin Plan determines that the basin-wide surface water SDL is 10,873 GL (long-term annual average). Each river catchment in the Basin has its own SDL.

In many rivers the SDL is lower than the amount that is currently used. This means that water needs to be recovered to meet the limit. Across the Basin, 2,750 GL of water needs to be recovered for environmental use, which means that some water which is now being taken from the Basin's rivers, for irrigation and town water supplies, needs to remain in the river system to improve river and wetland health.

2. The Basin Plan provides an opportunity in 2016 to change the SDL up or down

An adjustment process has been included in the Basin Plan to provide an opportunity and incentive to find ways to improve how we use the water.

The sustainable diversion limit can be changed as long as the environmental outcomes remain equivalent to those in the Basin Plan and there are neutral or better social and economic effects.

The process in the Basin Plan that allows the SDL to change is referred to as SDL adjustment.

The northern Basin is being treated slightly differently to the southern Basin, because less was known about this part of the Basin. The MDBA is conducting a review of some aspects of the Basin Plan in the north.

These investigations may lead to a change in the volume of water required to achieve environmental outcomes in the Basin Plan in the north.

3. The Water Act limits the change to 5% of the sustainable diversion limit (SDL)

Under the adjustment process, the Basin's SDL cannot change by more than 5%, which equates to about 540 GL (of the Basin-wide limit of 10,873 GL).

4. The SDL adjustment process provides an opportunity to manage the river system in a smarter way to get better outcomes

It has long been recognised that there are things we can do to improve how we manage the Basin's rivers and use the available water more efficiently and effectively. Being smarter includes finding ways to make water savings and deliver water more effectively, either by changing some river management practices or overcoming some of the physical barriers (constraints) to delivering water in the system.

5. The adjustment process requires governments to find new projects in the Basin for smarter river management or more efficient use of water on land

Some Basin governments believe that up to 650 GL less water will need to be recovered if we invest in projects that improve river management. To achieve an adjustment of 650 GL, there will also need to be at least 106 GL of extra water recovered through water efficiency projects so that the net change in the limit is less than the agreed 5%.

6. There are three types of projects:

a) River system projects that change the way the system is managed to achieve equivalent environmental outcomes using less water (supply measures)

These projects allow us to build structures on the edge of rivers that direct water into specific wetland sites, manage dams differently, reduce evaporation and loss, or improve river

management practices to achieve equivalent or better environmental outcomes (than those in the Basin Plan) with less water. This will mean less water needs to be recovered for environmental purposes. (These projects are referred to as 'supply' measures.)

b) Water efficiency projects (or 'efficiency measures') that provide more water for the environment through efficient use of irrigation water

These projects provide more water for the environment, but with neutral or better social or economic outcomes. They find water savings through efficiencies, such as on-farm improvements, and the savings are transferred to environmental use. These projects mean that more water can be used for environmental purposes (they are referred to as 'efficiency' measures).

c) Constraints projects that make changes to physical structures or river management practices so we can better deliver or more efficiently use environmental water

Constraints projects can include structural changes like raising the level of a bridge, or river management practices that allow us to better deliver environmental water to parts of the Basin. Basin governments have agreed that they will decide which constraint projects to proceed with together.

7. Basin state governments are responsible for these projects and for consulting with their communities about developing projects to be assessed

Basin state governments are responsible for putting forward river improvement projects that might reduce the need to recover water for the environment. The MDBA has a list on its website of the proposals submitted by Basin governments.

To get the details of each project, contact your relevant state water agency.

The Australian Government has already set aside \$1.3 billion in funding for supply measure projects.

8. The Australian Government is developing a program for water efficient projects that achieve neutral or better social and economic outcomes

Funding has already been set aside for efficiency projects that will help with finding water savings to put back into the environment.

9. Basin governments have agreed to a timetable for the projects to be submitted, assessed and completed

The agreed timetable is in the Basin Plan and in the 2013 Intergovernmental Agreement on Murray–Darling Basin reforms, which all the Basin governments have signed.

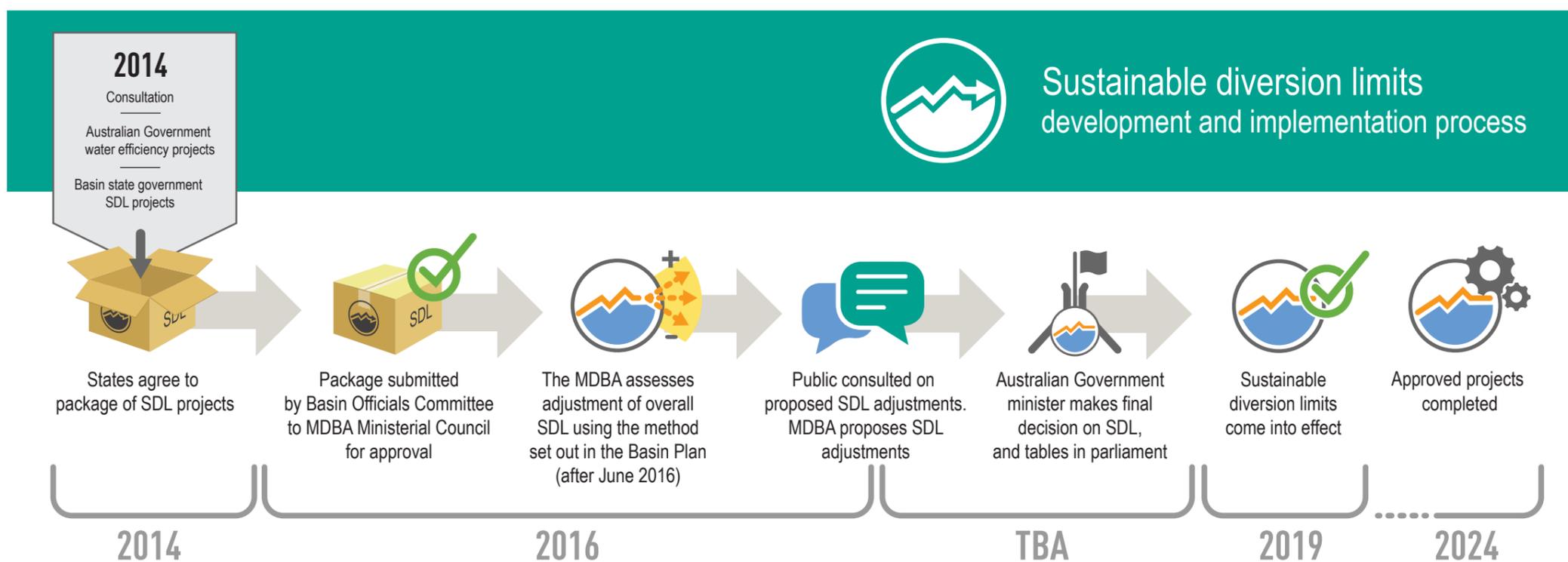
10. Basin governments agreed a package of proposals comprising the three types of projects in May 2016

The decision on the package of SDL measures was made in May 2016. The MDBA will calculate the amount of change to SDLs from the package (available on the MDBA website).

11. The MDBA will determine the adjustment to the SDL after June 2016 using the method set out in the Basin Plan

There are a number of important requirements in the process of looking at and assessing the full package of proposals. The requirements have been agreed to by all Basin governments and are hardwired into the Basin Plan. They must all link together and must all be satisfied before any changes can be made to the SDL.

a) The process includes a science-based scoring method that has been independently reviewed to determine if river improvement projects will deliver environmental outcomes equivalent to those set out in the Basin Plan



The method has been developed by the CSIRO in consultation with the Basin governments and the MDBA.

b) The process has checks and balances to ensure the environmental outcomes of the Basin Plan remain within agreed limits

There are a number of limits and standards in the Basin Plan that must be met to ensure environmental outcomes are protected. For example, things like base flows, salinity targets and frequency of flows onto floodplains cannot fall below the minimum levels set out in the Basin Plan.

c) There can be no adverse effects to the reliability of supply

Projects cannot affect the reliability of supply of water to entitlement holders in the Basin.

12. Proposed second SDL adjustment step by 30 June 2017

In April 2016 ministers requested that amendments be made to the Basin Plan which would provide for a second SDL adjustment step by 30 June 2017. This would allow for a second tranche of projects to be developed to further improve the outcomes of the Basin Plan.

13. The public will be consulted on the proposed adjustment before the MDBA puts it to the Australian Government

Once the MDBA has completed its testing of the package of proposals, we will seek public comment on the potential change to the water recovery volume and consider the feedback received.

14. The Australian Government minister will make the final decision on any changes to the SDL and table it in parliament

Following the public consultation on the proposed adjustment, the MDBA will provide a recommendation to the Australian Government water minister about how much the recovery volume can change based on the assessment and the comments received.

Once the minister has made the final decision on the change to the SDL, the change will be tabled in parliament as a disallowable instrument.

The timeframe for this process will allow for the change to be reflected in state water resource plans before the new limits come into effect in 2019.

15. All projects need to be completed by 2024

All projects that undergo assessment for possible adjustment and are found to meet all the requirements of the adjustment process must be constructed, completed and operational by 2024.