

**NOTICE BY MURRAY-DARLING BASIN MINISTERIAL COUNCIL
UNDER SECTION 43A(7) OF THE WATER ACT 2007: VIEWS OF THE COUNCIL AS A
WHOLE**

Introduction

1. Murray-Darling Basin Ministerial Council (Council) comments on the Altered Proposed Basin Plan which was transmitted to the Council on 6 August 2012 are set out below.

Sustainable Diversion Limit Adjustment Mechanism

2. Council requests that the intent of the SDL adjustment mechanism be made clearer for stakeholders by:
 - a. clarifying that at least 600GL of water recovery from existing committed Commonwealth investments in more efficient irrigation infrastructure is assumed to have occurred in reaching the proposed 2750GL SDL reduction;
 - b. clarifying that any additional water recovery for the purpose of increasing the SDL reduction may require the removal of constraints and would:
 - i. have regard to the extent of expected water savings from supply measures and the outcomes of the Constraints Management Strategy, to be known by 2016;
 - ii. come from additional investments that achieve a neutral or better impact on production for participating farms, or such other arrangements as are agreed with the relevant state that achieve socio-economic neutrality;
 - iii. depend on the availability of Commonwealth funding and uptake by farmers of this funding.
 - c. clarifying that the 5% limitation on operating the SDL adjustment mechanism operates in net terms, such that it is possible to achieve larger adjustments in either direction (e.g., a 650GL reduction from the 2750GL SDL reduction) provided there is an offsetting investment in measures that work in the opposite direction. It is anticipated that any downward movement in the reduction amount would be limited to 650GL in total.
3. Council requests that the Minister consider the outcomes of further discussions with the Basin states on the further development of the SDL adjustment mechanism and its operation in relation to environmental works and measures, including but not limited to additional environmental benefits confirmed in further modelling of works from The Living Murray program, the operation of safety nets, the separation of northern and southern systems, and sequencing of projects and the basis for determining whether there would be neutral or better production impacts for participating farms.
4. To ensure stakeholders confidence and facilitate the preparation of water resource plans, Council requests that the SDL adjustment mechanism and associated provisions in the Basin Plan:

- a. simplify the operation of the mechanism such that the SDLs determined by the operation of the mechanism in 2016 are adopted in the Basin Plan at that time, to take effect from 2019;
- b. allow for the construction and implementation of adjustment measures to be finalised in a specified timeframe and confirm the Commonwealth's responsibility to continue to bridge the gap over this period;
- c. account for situations where adjustment measures do not proceed as planned;
- d. enable state water resource plans to account for the time taken to complete adjustment measures, particularly through the use of 'reasonable excuse' or 'permitted take' provisions or the incorporation of formula based SDLs in state water resource plans; and
- e. clarify how any formula-based SDLs in state water resource plans should operate to reflect progress in SDL adjustment initiatives from 2019.

Apportionment

5. Council has considered how apportionment of the downstream SDL reduction should be expressed at the jurisdiction level in the final Basin Plan.
6. Council requests that the Minister consider the outcomes of further discussions with the Basin states on the apportionment of downstream SDL reduction, including how that would be shared between Basin states.
7. Council requests that the Basin Plan clarify how the downstream SDL reduction attributed to a state is to be incorporated into relevant water resource plans by 2019.
8. Council requests that all catchments in the northern Basin be included in the northern shared zone in the Basin Plan, and therefore in the process for considering the apportionment of the downstream SDL reduction in the northern Basin.

Date of effect of SDLs

9. To create certainty for communities and facilitate the preparation of WRPs by Basin States, Council requests the Plan include a provision that clearly states that SDLs take formal effect from 2019.

Groundwater

10. The Council requests that the Minister consider the outcomes of further discussions with the Basin states on groundwater SDLs, including the requirements of the *Water Act 2007*, the risks of surface water impacts and the ability to offset such impacts through state groundwater management policy settings.

Environmental water shepherding arrangements

11. The MDBA has made some modification of the trading rules, however there are concerns that revised trading rules may still present significant obstacles to water shepherding and thereby limit the scope for more efficient use of environmental water. Council seeks that the Basin Plan allow for water shepherding as agreed between relevant Basin

governments where this has no detriment to other entitlement holders, and that the MDBA work with Basin jurisdictions to prepare the required changes prior to finalisation.

Jurisdictional implementation obligations

12. Further to Council's request in its Section 43A(4) notice and the Authority's addition of clause 9.06(3) in the proposed Basin Plan, Council further suggests that the requirement for the Authority to endeavour to enter into agreements with Basin States be extended to cover all obligations arising from the entire Basin Plan, taking into account all relevant Commonwealth-state agreements, including funding agreements.

Salt export objective

13. Council requests that the Basin Plan be amended to include a water quality salt export objective for the River Murray System that ensures adequate flushing of salt from the River Murray System into the Southern Ocean.
14. The objective should state that the salt export objective is expected to be achieved by the discharge of 2 million tonnes of salt each year (long-term modelled estimate), having regard to the operation of works and measures to manage salinity concentrations.
15. Council requests the Authority to estimate the discharge of salt from the River Murray System into the Southern Ocean in every water accounting period. Council requests annual assessments of the salt export objective by comparing the estimated salt export (tonnage per year averaged over the preceding three years) with the long-term modelled estimate of 2 million tonnes of salt per year, and makes the assessments publicly available.
16. The Council also requests, consequential to the above, an amendment to the Water Resource Plan Requirements (Chapter 9) so that State water quality management plans are not required to specify measures to be undertaken to contribute to the achievement of the salt export objective.
17. The Council requests that the MDBA be asked to keep Basin jurisdictions informed of these changes prior to finalisation.