

**DEPARTMENT OF SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION  
AND COMMUNITIES**

**Doctor Stone** asked the Department on 20 November 2012:

In the explanatory memorandum in paragraph 13, it says that the MDBA ‘has identified a suite of constraints throughout the basin’ which could be addressed to maximise environmental outcomes. Did you as a department inform them or participate in developing this suite of constraints. Presuming that you did, can you give the committee the list of that suite of constraints so we can be aware of them? ... I was more keen on knowing what those constraints were. Were they low bridges or high levy banks; was there a city in the way? My question went more to that sort of thing, rather than the general geographic locations.

**Answer:**

The removal or “relaxing” of 8 key constraints was tested in the modelling the MDBA was asked to undertake by the Ministerial Council in June 2012. The report *Hydrological modelling of the relaxation of operational constraints in the southern connected system: methods and results* can be found at [www.mdba.gov.au](http://www.mdba.gov.au). Figure 3 on page 6 of the report provides a map showing the location of the 8 constraints, Table 1 on page 7 summarises the report’s findings and Appendix A provides further information.

The specific methods and actions used to relax these constraints will be developed over time. The Basin Plan includes the requirement for a Constraints Management Strategy (section 7.08) which must be prepared within 12 months. The strategy must include an assessment of the operating constraints that affect environmental water delivery in the rivers, and evaluate options, opportunities and risks to water users, communities and the environment associated with addressing the key constraints. The strategy must be prepared in consultation with the Basin state jurisdictions and the public (including landholders) and it will be publically available on the Authority’s website.

Examples of the types of actions that will be investigated within this framework include:

- obtaining flood easements
- upgrading access infrastructure (roads, bridges)
- enhancing flood mitigation works (e.g. levees)
- increasing outlet capacity for some dams.

The 8 constraints sites are:

1. Murray River - Hume to Yarrawonga:
2. Murray River - downstream of Yarrawonga at the Barmah Choke
3. Weir 32 - Menindee Lakes

4. Darling River Anabranch
5. Murrumbidgee River at Gundagai
6. Murrumbidgee River at Balranald
7. Goulburn River at Seymour
8. Goulburn River at McCoy's Bridge

**Mr Windsor** asked the Department on 20 November 2012:

You might be able to follow up on a legal interpretation of 86AD(4) that you referred to, in terms of how that brings the purchasing of water access rights back into the totality of the plan, plus the bill. If there were some layman's legal interpretation of what that actually means, that could help the committee as well.

**Answer:**

The additional 450 gigalitres (GL) of environmental water derived through projects funded from the special account will be recovered in a manner that does not worsen social and economic impacts compared with the impacts of recovering the 2750GL in the Basin Plan. This is guaranteed by the interaction of provisions in the Water Amendment (Water for the Environment Special Account) Bill 2012 (the Special Account Bill), the Water Amendment (Long-term Average Sustainable Diversion Limit Adjustment) Act 2012 (the SDL Adjustment Act) and the Basin Plan.

These provisions interact in the following way:

Section 86AD(4) of the of the Special Account Bill specifies that funds may be debited from the account for the purpose of making a payment or purchase *only* if the project or purchase is related to the adjustment of a long-term average sustainable diversion limit, under section 23A of the SDL Adjustment Act.

Under section 23A(2) of the SDL Adjustment Act, the Basin Plan must include criteria for determining whether the Authority should propose a Sustainable Diversion Limit (SDL) adjustment as well as criteria for determining the amount of the adjustment. There is also a requirement for the Murray Darling Basin Authority (the Authority) to determine whether or not it has met these criteria. Under subsections 23B(2)(e) and 23B(3)(c) of the SDL Adjustment Act, the Authority must include an outline of the material the Authority used in its determination in a notice. Under section 23B(7) of the SDL Adjustment Act, the notice must accompany the SDL amendment when the amendment is tabled in Parliament.

On 1 November 2012 the Minister made a Water Act 2007 section 44(1) suggestion that the Basin Plan should also include criteria so that water recovery projects giving rise to an adjustment which reduces the SDL do not worsen social and economic impacts compared with 2750GL impacts. This would be evidenced by either:

- participation of farmers in programs providing investments in water efficiency and recovery projects on their farms, or

- in the case of alternative arrangements proposed by a Basin state, assessment by the state that the project they propose will achieve neutral or improved socio-economic outcomes.

The Authority adopted this suggestion in the Basin Plan (see Chapter 7, especially 7.09).

The Government intends to acquire the water primarily through investment in on-farm irrigation efficiency projects. Unlike the on-farm irrigation efficiency programs rolled out under the Sustainable Rural Water Use and Infrastructure Program (SWRUIP) where a proportion of the water saved through improved infrastructure is retained, the proposed program would see all savings being transferred to the Commonwealth: half being recovered through an infrastructure investment and the other half through a linked water purchase at market rates. Thus, all the water savings saved from an individual farm will be returned to the environment, but the productive capacity of the farm will not be diminished. This ensures the social and economic neutrality of the investment.