

## 4. MDBA Plan – Water Resources

### Purpose

To briefly explain the MDBA Plan, the range of water recovery outcomes and the effect on water availability.

### Background

The Basin Plan was introduced in 2012, by agreement of the Commonwealth Government and the Governments of the basin states. It is now being implemented by these Governments.

The Basin Plan seeks to establish a sustainable balance between consumptive uses of water and the needs of the river systems to ensure a healthy environment. The key element of the Basin Plan is to set Sustainable Diversion Limits (SDLs) and then recover water through a range of programs to ensure that future diversions are within the SDLs.

The water recovery target is 2,750 GL. There are potential adjustments to this, up to 650 GL reductions through SDL Offset mechanisms such as environmental watering projects and up to 450 GL additional recovery from efficiency measures known as “up-water” (producing the same with less water).

Victoria’s share of the 2,750 GL target is 1075 GL and will be met through:

- purchase of Victorian entitlements - 512.7 GL
- infrastructure projects – the largest is GMW Connections which generates 279 GL for the Basin Plan
- on-farm works and works – target is 93 GL
- measures contributing to the SDL adjustment provisions (Victoria is seeking to maximize this volume).

SDLs will commence through state government water resource plans in 2019. The Basin Plan water recovery will not affect groundwater entitlements in GMW’s region.

The on-farm efficiency programs benefit GMW’s customers with greater productivity per ML delivered. A proportion of the water savings are transferred to the Commonwealth Environmental Water Holder (CEWH).

Potentially those benefitting from on-farm efficiency investment will go to market to buy entitlement to top up the volume yielded to the Commonwealth. If this purchase is sourced from within the GMID then this will contribute to more land going out of production, or increased vulnerability of the seller to future allocation water market prices.

The challenge to GMW and customers is represented by under recovery against the water recovery target. In this event, Victoria may have a shortfall against its target.

Options to address this include:

- Additional government water purchases
- The potential to recover additional water through the Efficiency Measures Program (up-water).

This Efficiency Measures Program will seek to recover more water (up to 450 GL) for the environment but must do so without negative social and economic impacts.

The Commonwealth is working through how and where this water may be recovered. The Victorian Government is assessing the socio-economic impact of water recovery, existing and potential future, in northern Victoria.



# OUR FUTURE

## OUR STRATEGIC PLAN

*Briefing Paper*

### Summary

Australia has decided that previous levels of water use were unsustainable and needed to be reduced. Implementation of the Basin Plan is currently underway and the Victorian Government is committed to the delivery of the Basin Plan. There are risks for the current water recovery programs that may need to be considered.

### For more information:

<http://www.mdba.gov.au/basin-plan-roll-out>

<http://www.mdba.gov.au/basin-plan>

<http://www.depi.vic.gov.au/water/rural-water-and-irrigation/murray-darling-basin>

<http://haveyoursay.delwp.vic.gov.au/water-for-victoria>