

## **Annex 2**

### **Proposed amendments to Basin Plan**

#### **Chapter 7—Adjustment of SDLs**

Note: The SDLs will constitute limits from 1 July 2019. The surface water SDLs set out in Schedule 2 on the commencement of the Basin Plan in 2012 were based on:

- infrastructure and other measures that were in operation or expected to be in operation by 2019, including as a result of investments that the Commonwealth is committed to funding, that would recover at least 600 GL of water per year ('anticipated measures' in this Chapter); and
- the level of scientific understanding of the Basin hydrology and ecology at that time.

This Chapter provides for the Authority to propose adjustments to the SDLs under section 23A of the Act. These will be made by amendment of the Basin Plan under section 23B of the Act.

Under Part 2, the Authority can propose adjustments to surface water SDLs to take account of certain additional changes in infrastructure and other measures that will come into operation by 30 June 2024.

In this Chapter a 'supply measure' is a measure that increases the quantity of water available before take for consumptive use. The measure may do this either by making water available for environmental management without reducing consumptive take (e.g. through reducing evaporation losses at suitable storages) or by allowing environmental managers to achieve equivalent outcomes more efficiently, thus reducing the amount of water needed for the environment. Supply measures allow equivalent environmental outcomes to be achieved without needing to reduce consumptive take as much as originally anticipated in the Basin Plan.

The additional water provided by supply measures will be made available for consumptive use (as it will no longer need to be recovered from such use). An adjustment made because of supply measures will increase the SDL (decrease the reduction amount).

An 'efficiency measure' is one that makes savings in the amount of water required for consumptive purposes. Examples include investment in more efficient irrigation infrastructure. The water saved by efficiency measures will be allocated to environmental use but, due to the nature of efficiency measures, this will achieve neutral or improved social and economic impacts. An adjustment made because of efficiency measures will decrease the SDL (increase the reduction amount).

Under Part 3, the Authority can propose adjustments to surface water SDLs to re-allocate SDL shared reduction amounts set under section 6.05. If Basin States request a particular re-allocation, the Authority must propose it.

Under Part 4, the Authority can propose adjustments to groundwater SDLs to reflect new or improved information relating to the groundwater of the groundwater SDL resource units.

#### **Part 1—Preliminary**

##### **7.01 Simplified outline**

- (1) This section sets out a simplified outline of this Chapter.
- (2) This Chapter provides a mechanism for the Authority to propose adjustments to the SDLs under section 23A of the Act on the basis of:
  - (a) new measures that will increase the supply of water or the efficiency of water use (Part 2); or

- (b) a request by a Basin State to re-allocate the SDL resource unit shared reduction amounts among surface water SDL resource units within the State (Part 3); or
- (c) new or improved information relating to groundwater SDL resource units (Part 4).

## 7.02 Interpretation

In this Chapter:

***additional efficiency entitlement***, for a surface water SDL resource unit, is a water access entitlement that:

- (a) is sourced from the unit; and
- (b) is held environmental water; and
- (c) is acquired by the Commonwealth or another person in conjunction with, or to take advantage of the water savings achieved by, an additional efficiency measure.

***additional efficiency measure*** means a measure that has been notified under subsection 7.12(2).

***affected unit*** means a surface water SDL resource unit that is an affected unit for a notified measure or additional efficiency measure under paragraph 7.12(4)(b).

***anticipated measure*** means a measure that is part of the benchmark conditions of development.

Note: This includes various measures expected to be in operation by 2019, including as a result of investments that the Commonwealth is committed to funding, that are expected to recover the equivalent of at least 600 GL of water per year.

***benchmark conditions of development*** means the conditions of development that were assumed in the benchmark model described in Schedule 6 when the model was used to set the unadjusted SDLs for the Basin Plan.

Note 1: These conditions include the infrastructure, rules and practices that were assumed in the benchmark model, including certain measures that were not yet in effect but were expected to be in place by 2019, including as a result of investments that the Commonwealth is committed to funding and are expected to recover the equivalent of at least 600 GL of water per year.

Note 2: The Authority will, in consultation with the Basin Officials Committee, prepare and publish a report detailing the benchmark conditions of development as soon as practicable after the Basin Plan is made.

***benchmark environmental outcomes*** has the meaning given in subsection 7.15(2).

***constraint measure*** means a measure that removes or eases a physical or other constraint on the capacity to deliver environmental water to the environmental assets of the Murray-Darling Basin.

Note: Examples include:  
raising of bridges to allow higher regulated flows in watercourses and floodplains;

acquisition of easements to allow inundation of private land in conjunction with making regulated releases of environmental water.

**efficiency contribution** has the meaning given by Division 4 of Part 2 (in particular section 7.16).

**efficiency entitlement**, for a surface water SDL resource unit, means a water access entitlement that:

- (a) is sourced from the unit; and
- (b) is held environmental water; and
- (c) is acquired by the Commonwealth or another person in conjunction with, or to take advantage of the water savings achieved by, a notified efficiency measure.

**efficiency measure** has the meaning given by section 7.04.

**measure** means a set of works or measures undertaken or funded by the Commonwealth or a Basin State, including but not limited to the following:

- (a) changes to water infrastructure;
- (b) changes to other infrastructure that affect the hydrology of the Basin;
- (c) changes to legal requirements, including to Commonwealth or State laws, that affect the way water is used;
- (d) changes in river management and river operational practices;
- (e) changes in methods of delivering water.

**notified measure** means a measure that has been notified under subsection 7.12(1) or (1A), and **notified efficiency measure** and **notified supply measure** have corresponding meanings.

**reference time** has the meaning given by subsection 23A(5) of the Act.

**supply contribution** has the meaning given by Division 4 of Part 2 (in particular section 7.15).

**supply measure** has the meaning given by section 7.03.

**supply measure conditions** means the twelve conditions provided for below.

- 1) Works-based projects align with Basin Plan targets, as set out in Chapter 5, Schedule 5, Schedule 7 and the Basin-wide Environmental Watering Strategy.
- 2) Works-based project were assessed using the Ecological Elements scoring method developed by CSIRO.<sup>3</sup>
- 3) Limits of change rules are satisfied as per clause 6.07 in Schedule 6 of the Basin Plan.
- 4) Sustainable diversion limit is within the overall limits specified in section 7.19 of the Basin Plan.
- 5) Environmental risks are mitigated to acceptable (low risk) levels, ensuring that:
  - a) All risk mitigation measures are funded as part of the proposed project; and
  - b) The use of additional planned and held environmental water is not proposed as a risk mitigation measure.

- c) Cumulative effects are assessed via strategic assessment under the *Environment Protection and Biodiversity Conservation Act 1999*.
- 6) Long-term governance arrangements are secured, specifically:
  - a) Ownership and management responsibilities are clearly defined, and operations and maintenance are borne by the owner;
  - b) Projects will be independently audited and periodically re-licensed;
  - c) Funding is committed for ongoing operation, risk mitigation measures, long-term monitoring and auditing;
  - d) Agreement is secured from landholders affected by the project.
  - e) The Office of the Commonwealth Environmental Water Holder is capable of delivering the proposed environmental water regime, as modelled by the Authority (see Basin Plan Sch 6.06 (3)).
- 7) Priority should be given so that projects can operate in a natural way with all structures open during regulated and unregulated flows unless there is an expected downstream benefit, and under a range of future water availability scenarios, based on assessment of climate change impacts.
- 8) Any water savings are converted into an equivalent volume of water entitlements by June 30 2019.
- 9) Individual projects are cost effective, defined to mean an overall average of not more than \$1,900/ML) considering the qualitative estimate of the potential supply contribution or likely improved delivery of environmental water.
- 10) Monitoring arrangements are in place to manage risks and enable assessment of outcomes against targets.
- 11) Constraints measures achieve the targets in the Murray-Darling Basin Authority's Constraints Management Strategy.
- 12) Pre-requisite policies proposed by states for managing environmental water are consistent with those configured in the model used to calculate an adjustment.

### 7.03      Meaning of supply measure

A **supply measure** is a measure that operates to increase the quantity of water available to be taken in a set of surface water SDL resource units compared with the quantity available under the benchmark conditions of development.

Note:      Examples include:

re-configuring suitable lakes or storage systems to reduce evaporation;  
reducing the quantity of water required to deliver water at a particular place, whether for purposes of consumptive use or for environmental use;

changing the methods of environmental watering in such a way that equivalent environmental outcomes can be achieved with a smaller quantity of water than was required under the benchmark conditions of development.

#### **7.04    Meaning of efficiency measure**

An *efficiency measure* is a measure that operates to decrease the quantity of water required for one or more consumptive uses in a set of surface water SDL resource units, compared with the quantity required under the benchmark conditions of development.

Note:      Examples include:  
                lining channels to reduce water losses within an irrigation network;  
                replacement of less efficient irrigation methods with drip irrigation.

#### **7.05    Consultation with Basin Officials Committee**

- (1)    In determining the amounts of proposed adjustments in accordance with this Chapter, the Authority must seek and consider advice from the Basin Officials Committee.
- (2)    The Authority must seek the advice of the Basin Officials Committee at least 1 month before proposing adjustments in accordance with this Chapter.

#### **7.06    Public consultation**

Before finalising a determination of the amounts of proposed adjustments in accordance with this Chapter, the Authority must:

- (a)    publish a draft determination of the amounts of the proposed adjustments on its website, with an account of how they were arrived at and the reasons for decisions made in arriving at the draft determination; and
- (b)    for the purposes of proposing a reconciliation adjustment in 2024 pursuant to section 7.11, publish its assessments of each of the notified measures against the supply measure conditions; and
- (c)    invite the public to make submissions about the draft determination and assessments of each of the notified measures against the supply measure conditions within a period of not less than 3 months.

#### **7.07    Combined proposals**

- (1)    The Authority may make proposals under more than one of Parts 2, 3 and 4 at the same time.
- (2)    Where this is done, the Authority may, for the purpose of section 23B of the Act, treat the proposals as a single proposal and prepare a set of amendments that gives effect to the net effect of the proposals.

#### **7.08    Constraints management strategy**

- (1)    Within 12 months after the commencement of the Basin Plan, the Authority must prepare a constraints management strategy that:
  - (a)    identifies and describes the physical, operational and management constraints that are affecting, or have the potential to affect, environmental water delivery; and

- (b) assists all jurisdictions to participate in constraint measures in order to allow environmental water to be used to maximum effect and to maximise the benefits of any increase in held environmental water; and
  - (c) evaluates options, opportunities and risks to water users, communities and the environment, associated with addressing key constraints, including through constraint measures that are relevant to measures that might be notified under section 7.12; and
  - (d) assesses the impacts of modifications of constraints on environmental water delivery and third parties, as well as downstream impacts, and assesses options to address those impacts; and
  - (e) identifies mechanisms by which impacts on third parties can be addressed.
- (2) The strategy, and any substantive amendments to the strategy, must be prepared in consultation with the Basin States and the public.
- (3) The Authority must annually give a report to the Murray-Darling Basin Ministerial Council on progress on the matters covered by the strategy.
- (4) The Authority must publish the strategy on its website.

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## Part 2—Adjustment of surface water SDLs for notified measures

### Division 1—Objective

#### 7.09 Objective

The objective for this Part is to allow surface water SDLs to be adjusted to reflect the effects of measures that increase the supply of water or the efficiency of water use, and are notified under this Part, so that:

- (a) for efficiency measures—environmental outcomes are increased while maintaining or improving social and economic outcomes; and
- (b) for supply measures—equivalent environmental outcomes are achieved with a lower volume of held environmental water than would otherwise be required; and

Note: Some jurisdictions anticipate that such measures may be able to provide the equivalent of 650 GL per year of water, reducing the quantity of water access rights the Commonwealth will need to acquire to ‘bridge the gap’.

- (c) where constraints on the capacity to deliver environmental water are removed or eased—available environmental water can be used to maximum effect; and
- (d) enhanced economic, social and environmental outcomes compared with the benchmark environmental outcomes and benchmark conditions of development can be achieved for the Murray-Darling Basin, including through more efficient water use, improved river operations, improved outcomes for the River Murray floodplain, River Murray river water quality, estuarine health, Murray Mouth opening, higher average lake levels and increased in-stream flows and variability; and
- (e) the easing or removal of constraints and the addition of 450 GL per year of environmental water above the 2750 GL benchmark conditions of development, under the Commonwealth’s program, allow the enhanced environmental outcomes as set out in Schedule 5 to be pursued as compared to the benchmark environmental outcomes.

Note 1: The Commonwealth program to ease or remove capacity constraints and deliver 450 GL of additional environmental water is to improve the environmental outcomes beyond those achievable under the 2750 GL benchmark by a further 450 GL and thus pursue the environmental outcomes set out in Schedule 5 that reflect the results of the 3200 GL per year modelling with relaxed constraints scenario reported in: MDBA (Murray-Darling Basin Authority) 2012, *Hydrologic modelling of the relaxation of operational constraints in the southern connected system: Methods and results*, MDBA publication no: 76/12, Murray-Darling Basin Authority, Canberra. <http://download.mdba.gov.au/altered-PBP/Hydrologic-modelling-relaxed-constraints-October-2012.pdf>

Note 2: The Commonwealth's program referred to in paragraph (e) is the program to spend \$1.77 billion over 10 years from 2014–15 under the proposed Water for the Environment Special Account.

## **Division 2—When Authority must propose appropriate adjustments**

### **7.10 Initial adjustments to be proposed in 2017**

- (1) If the Authority has received a notification of measures under subsection 7.12(1) or (1A), it must, as soon as practicable after 30 June 2017 and no later than 15 December 2017:
  - (a) for each affected unit, determine the amounts of proposed adjustments resulting from the notified measures in accordance with Division 4; and
  - (b) propose accordingly, under section 23A of the Act:
    - (i) an adjustment of the SDL for each affected unit; and
    - (ii) an adjustment of the SDL for the Basin water resources equal to the net effect of the adjustments for all the affected units.

Note: Under section 23B of the Act, the Authority is then required to prepare appropriate amendments of the Basin Plan, for adoption by the Minister.

- (2) The Authority must advise the Minister on the implications of a proposal for any declared Ramsar wetland.

### **7.11 Reconciliation adjustments to be proposed in 2024**

- (1) **The Authority:**
  - (a) is to undertake an assessment by 30 June 2023 to determine whether each of the notified measures satisfies each of the supply measure conditions; and
  - (b) must cause its assessments of each of the notified measures to be independently reviewed by a panel of appropriately qualified experts appointed by the Ministerial Council by 30 June 2023; and
  - (c) must publish each of its assessments of each of the notified measures – as well as the independent panel's review report - on its website by 30 June 2023.
- (2) If it appears to the Authority that a new determination, as at 30 June 2024, of the appropriate adjustment amounts resulting from the notified measures and any additional efficiency measures would produce a result different from the determination made for the purpose of section 7.10, the Authority must, by that date:
  - (a) determine the amounts of proposed adjustments for each affected unit resulting from the notified measures and any additional efficiency measures, in accordance with Division 4; and
  - (b) propose accordingly, under section 23A of the Act:
    - (i) an adjustment of the SDL for each affected unit; and



- (ii) an adjustment of the SDL for the Basin water resources equal to the net effect of the adjustments for all the affected units.

Note 1: Under section 23B of the Act, the Authority is then required to prepare appropriate amendments of the basin Plan, for adoption by the Minister.

Note 2: This section might apply if, for example, a notified measure has been withdrawn **as it is unable to meet all of the supply measure conditions** or an additional efficiency measure has been registered.

Note 3: It is expected that the Authority will propose adjustments under this section in sufficient time for the amendments to commence by 30 June 2024.

- (3) The Authority must advise the Minister on the implications of a proposal for any declared Ramsar wetland.

## Division 3—Notification and recording of relevant matters

### 7.12 Notification of measures relevant to adjustment of SDLs

#### *First notification of supply measures or efficiency measures*

- (1) The Basin Officials Committee may, by 30 June 2016, notify the Authority of 1 or more supply measures or efficiency measures that, in the view of the Committee, should be taken into account in proposing adjustments under section 7.10 or 7.11.

#### *Second notification of supply measures or efficiency measures*

- (1A) The Basin Officials Committee may, after 30 June 2016 but on or before 30 June 2017, notify the Authority of 1 or more supply measures or efficiency measures that, in the view of the Committee, should be taken into account in proposing adjustments under section 7.10 or 7.11.

#### *Notification of additional efficiency measures*

- (2) The person (the Basin State or Commonwealth) funding or undertaking an efficiency measure may, after 30 June 2017 but on or before 31 December 2023, notify the Authority of 1 or more efficiency measures that, in the view of the person, should be taken into account in proposing adjustments under section 7.11.

#### *Requirements for all notifications*

- (3) A measure may be notified only if:
  - (a) it will enter operation by 30 June 2024; and
  - (b) it is not an anticipated measure; and
  - (c) the person (the Basin State or Commonwealth) funding or undertaking the measure agrees with the notification.
- (4) A notification must include, for each measure:
  - (a) details of the measure; and
  - (b) the surface water SDL resource units affected by the measure (the ***affected units*** for the measure); and
  - (c) details of any constraint measure that may be relevant; and

- (d) the date on which the measure entered into operation, or by which it will enter into operation.

*Amendment of notifications*

- (5) A notification must be amended as soon as practicable after any information under subsection (4) has changed.
- (6) A notification must be amended to withdraw a measure if the measure will not enter into operation by 30 June 2024 or cannot satisfy any of the supply measure conditions.
- (7) Subsections (5) and (6) do not apply after 31 December 2023. To avoid doubt, this does not override the requirements set out in section 7.11.

### 7.13 Register of measures

- (1) The Authority must maintain a register of notified measures and additional efficiency measures that includes:
  - (a) the information mentioned in section 7.12; and
  - (b) for each surface water SDL resource unit:
    - (i) the efficiency entitlements and additional efficiency entitlements for the unit from time to time; and
    - (ii) the long-term average quantity of water, in GL per year, that is available under the efficiency entitlements for the unit from time to time; and
    - (iii) the long-term average quantity of water, in GL per year, that is available under the additional efficiency entitlements for the unit from time to time.
- (2) If an adjustment is likely to be proposed under section 7.10 or 7.11, the register must include estimates of the likely supply contribution, efficiency contribution and overall SDL adjustment amount and, to the extent practicable, the likely SDL adjustment amounts for the affected units.
- (3) The Authority must publish the register on its website.
- (4) Paragraph (1)(b) applies to a water access entitlement whether it becomes held environmental water before or after the measure is notified.

## Division 4—Determining amounts of adjustments

### 7.14 Preliminary

- (1) This Division sets out the steps the Authority must take to determine the amounts of adjustments to SDLs that it will propose because of the notified measures and additional efficiency measures.
- (2) If a request by a Basin State for adjustments under Part 3 has been received by the Authority, the Authority must determine the amounts of adjustments under this Division as if the adjustments referred to in the request had been made.

### 7.15 Contribution to adjustments from supply measures

- (1) Subject to this Division, the total **supply contribution** of the notified measures is the total increase in the SDLs for all the units affected by notified supply measures that will ensure that, calculated in accordance with the applicable method on the basis of:

- (a) a repeat of the historical climate conditions; and
- (b) the benchmark conditions of development modified by:
  - (i) the addition of the notified supply measures; and
  - (ii) the removal of any unimplemented policy measures;

the following results occur, as compared with the benchmark environmental outcomes:

- (c) there are equivalent environmental outcomes; and
- (d) there are no detrimental impacts on reliability of supply of water to the holders of water access rights that are not offset or negated.

Note: The determination is based on the effect that the supply measures will have when they come into operation, whether or not they have done so by the time the measures are notified under section 7.12.

- (2) In calculating supply measure contributions for the purpose of section 7.11, the Authority must also:

- (a) ensure that any change to the sustainable diversion limits remain with the overall limits on adjustments specified in section 7.19; and
- (b) account for the effectiveness of the limits of change rules set out in clause 6.07 of Schedule 6, based on an analysis of gauged data and modelled (counterfactual) river data; and
- (c) configure the pre-requisite policy measures into the model used to calculate an adjustment, ensuring those measures are consistent with 2024 practices as based on the review specified in subsection (e); and
- (d) ensure the modelled water demands for supply measure projects reflects the actual practices up to 2024 as based on the review specified in subsection (e); and
- (e) publish a review and consequent model changes arising from environmental watering demands, and planning assumptions by 30 June 2023. This must include a comparison of modelled and actual pre-requisite policy measures.

- (3) In this section:

**applicable method** means:

- (a) the default method set out in Schedule 6; or
- (b) if the Authority and the Basin Officials Committee agree to use another method—that method.

***benchmark environmental outcomes*** means the environmental outcomes in the model that, in accordance with the applicable method, would be achieved if:

- (a) the SDLs were at the levels set in the Basin Plan when it commenced; and
- (b) the benchmark conditions of development applied in the Murray-Darling Basin.

***unimplemented policy measure*** means an anticipated measure consisting of a policy to:

- (a) credit environmental return flows for downstream environmental use; or
- (b) allow the call of held environmental water from storage during unregulated flow events;

to the extent, if any, that the measure, at the time of the determination, is not expected to, or did not, come into effect by 30 June 2019. Where such a measure is expected to, or did come into effect by 30 June 2019, it is known as a ***pre-requisite policy measure***.

## 7.16 Contribution to adjustments from efficiency measures

### *Efficiency contribution for 2017 determination*

- (1) For a determination for the purpose of section 7.10, and subject to this Division, the ***efficiency contribution*** of the notified measures for each affected unit at a particular time is a decrease in the SDL for the unit equal to the quantity of water, in GL per year, that is registered as being available under the efficiency entitlements for the unit.

Note 1: The efficiency contributions are expected to vary over time as relevant water access entitlements are acquired.

Note 2: The Authority will use long-term diversion limit equivalent factors to convert water access entitlements into a common unit for the purpose of the determinations.

### *Efficiency contribution for 2024 determination*

- (2) For a determination for the purpose of section 7.11, and subject to this Division, the ***efficiency contribution*** of the notified measures and additional efficiency measures for each affected unit is a decrease in the SDL for the unit equal to the quantity of water, in GL per year, that is expected to be registered as being available under the efficiency entitlements and additional efficiency entitlements for the unit on 30 June 2024.
- (3) In this section, ***registered*** means shown on the register maintained under section 7.13.

## 7.17 Ensuring that criteria for amounts of adjustments are satisfied

- (1) If, after calculating the total supply and efficiency contributions under sections 7.15 and 7.16, the Authority is not satisfied that a determination of proposed adjustments based on those amounts can be made under this Division that satisfies the criteria below, the Authority may reduce the total

supply contribution, or the efficiency contribution for any affected unit, to a level at which such a determination can be made.

- (2) The applicable criteria are the following:

*Equivalent environmental outcomes*

- (a) The supply contributions to the proposed adjustments achieve equivalent environmental outcomes compared with the benchmark environmental outcomes.

*Neutral or improved socio-economic outcomes*

- (b) The efficiency contributions to the proposed adjustments achieve neutral or improved socio-economic outcomes compared with the outcomes under benchmark conditions of development as evidenced by:
- (i) the participation of consumptive water users in projects that recover water through works to improve irrigation water use efficiency on their farms; or
  - (ia) the participation of consumptive water users in projects that recover water through works to improve water use efficiency off-farm; or
  - (ii) alternative arrangements proposed by a Basin State, assessed by that State as achieving water recovery with neutral or improved socio-economic outcomes.

*Use of approval process*

- (c) Any processes approved by the Murray-Darling Basin Ministerial Council for developing initiatives for satisfying these criteria, including opportunities for public consultation, have been observed.

## **7.18 Apportionment of supply contribution to affected units**

The Authority must apportion the total supply contribution for the notified measures to give each affected unit a supply contribution in a way that:

- (a) ensures that the sum of the supply contributions is the total supply contribution; and
- (b) complies with any agreement relating to the apportionment of supply contributions that has been reached by the Commonwealth and States.

## **7.19 Overall limitation on size of adjustment amounts**

If, at a particular time, the net effect of the total supply contribution and the total efficiency contribution under sections 7.15 to 7.17 is an increase or decrease of more than 5% of the total surface water SDL for the Basin water resources as it stood at the reference time, the size of the supply contribution and the efficiency contribution for each affected unit are reduced in proportion so that the net effect is equal to that amount.

**Note:** This section allows a supply contribution or an efficiency contribution of more than 5% of total surface water SDL to each be given full effect in an adjustment, provided that the net effect across the Basin is within the 5% limit.

## **7.20      Final determination of amounts in 2017**

- (1) For the purpose of section 7.10, the Authority may make a determination to propose adjustments only if:
  - (a) it has considered any advice from the Basin Officials Committee and submissions from members of the public; and
  - (b) it is satisfied that the proposed adjustments meet the criteria under section 7.17.
- (2) The Authority must determine supply contributions as at 30 June 2017.

Note:      Some of the supply measures may not be operating by that date. The determination is based on the effect that they will have when they have come into operation by 2024.
- (3) The Authority must determine the amounts of the proposed adjustments as:
  - (a) an adjustment of the SDL for each affected unit equal to the net effect of supply and efficiency contributions for the unit; and
  - (b) an adjustment of the SDL for the Basin water resources equal to the net effect of the adjustments for all the affected units.
- (4) A proposed adjustment must be in the form of a formula as a function of time, either varying continuously or changing at specified times, that reflects the changes up until 30 June 2024 of:
  - (a) the relevant efficiency contributions; and
  - (b) the operation of the overall limit on adjustments in section 7.19.

## **7.21      Final determination of amounts in 2024**

- (1) For the purpose of section 7.11, the Authority may make a determination of the proposed adjustments only if:
  - (a) it has considered any advice from the Basin Officials Committee and submissions from members of the public; and
  - (b) it is satisfied that the proposed adjustments meet the criteria under section 7.17; and
  - (c) it has undertaken a review pursuant to section 6.06 to determine whether the proposed adjustments will reflect an environmentally sustainable level of take in light of best-available evidence regarding likely, future climate change; and
  - (c) the proposed adjustments reflect an environmentally sustainable level of take, taking into account likely, future climate change.
- (2) To avoid doubt, the Authority must make a determination of the proposed adjustments if, for the purpose of section 7.11, any of the notified measures do not satisfy all of the supply measure conditions.
- (3) The Authority must determine supply contributions and efficiency contributions as they are expected to be on 30 June 2024.
- (4) The Authority must:

- (a) determine the adjustments that would be appropriate to reflect the notified measures and additional efficiency measures as if no adjustment had been made as a result of a proposal under section 7.10 (the *overall adjustments*); and
- (b) calculate, for each affected unit, the difference between the overall adjustment and any adjustment actually made as a result of a proposal under section 7.10 (the *difference* for the unit); and
- (c) determine the amounts of the proposed adjustments as:
  - (i) an adjustment of the SDL for each affected unit equal to the difference for the unit; and
  - (ii) an adjustment of the SDL for the Basin water resources equal to the net effect of the adjustments for all the affected units.

## Part 3—Adjustments relating to shared reduction amounts

### 7.22 Objective

The objective for this Part is to allow SDLs to be adjusted to re-allocate the SDL resource unit shared reduction amounts among surface water SDL resource units within a Basin State.

### 7.23 Adjustments relating to shared reduction amounts

- (1) A Basin State may request the Authority to propose, in accordance with this section, a re-allocation adjustment for the State.
- (2) If the Authority has not received a request for a proposal from a Basin State by 31 May 2016, the Authority must invite the State to make a request, and inform the State of the SDL resource unit shared reduction amounts that are expected to apply to SDL resource units in the State if no request is received from the State.

Note: The SDL resource unit shared reduction amounts that will apply are set under subsection 6.05(4).

- (3) As soon as practicable after 30 June 2016 the Authority must propose, under section 23A of the Act, re-allocation adjustments in accordance with any requests received from Basin States by that date.

Note 1: Under section 23B of the Act, the Authority is then required to prepare appropriate amendments of the Plan, for adoption by the Minister.

Note 2: SDL adjustments proposed under this Part will be used for the purpose of calculating any adjustment amounts under Part 2.

Note 3: For adjustments relating to a zone that lies in 2 Basin States, both States will need to request a proposal to ensure that the definition of re-allocation adjustment is satisfied.

- (4) For this section:

***re-allocation adjustment***, for a Basin State, means a set of adjustments to the SDLs of its SDL resource units that are within a zone mentioned in section 6.05 with the effect that:

- (a) the total of the SDLs for each zone remains the same; and
- (b) no resource unit has an SDL that is larger than would result from replacing its shared reduction amount with zero.



## **Part 4—Adjustments relating to groundwater**

### **7.24      Objective**

The objective for this Part is to allow SDLs for groundwater SDL resource units to be adjusted to reflect new or improved information about their groundwater resources.

### **7.25      Adjustments relating to groundwater**

- (1) The Authority may propose, under section 23A of the Act, an adjustment of the SDL for a groundwater SDL resource unit if better information becomes available about the groundwater resources of the unit and the factors relevant to setting the SDL, in particular information about:
  - (a) recharge rates; or
  - (b) connectivity with surface water; or
  - (c) usage patterns; or
  - (d) Basin State policy and planning settings.
- (2) In determining the amount of the proposed adjustment, the Authority must be satisfied that, in the light of the better information, the SDL for the unit:
  - (a) may be increased by the amount of the proposed adjustment and still represent an environmentally sustainable level of take; or
  - (b) should be decreased by the amount of the proposed adjustment to represent an environmentally sustainable level of take.

Note: Under section 23B of the Act, the Authority is then required to prepare appropriate amendments of the Basin Plan, for adoption by the Minister.

- (3) A proposal in accordance with this section may be made as soon as practicable after 30 June 2016, or at any time after 30 June 2019.

### **7.26      Overall limitation on size of groundwater adjustment amounts**

The Authority may not propose an adjustment under this Part if the result would be that the net effect of all adjustments proposed under this Part since the reference time would represent an increase or decrease of more than 5% of the total groundwater SDL for the Basin water resources as it stood at the reference time.

## **Part 5—Independent audit of calculations**

### **7.27      Independent audit of Authority's calculations**

- (1)    The Authority may appoint or establish a person or body that is independent of the Authority to audit calculations made by the Authority for the purpose of Parts 2 and 4.
- (2)    The person or body conducting any audit must:
  - (a)    produce a report setting out the findings of the audit; and
  - (b)    before the report is finalised, provide the Authority, the Commonwealth and each Basin State with an opportunity to comment on the proposed findings.