

**REVIEW OF THE
OPERATION OF THE CAP
IMPLEMENTATION AND COMPLIANCE**

REPORT BY THE INDEPENDENT AUDIT GROUP

FEBRUARY 2000

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EXECUTIVE SUMMARY

Implementation and compliance issues are matters which evoke a wide range of comments. Some of the issues raised by stakeholders in particular, reflect concern about action being taken in neighbouring jurisdictions and concern that others are somehow being given better treatment because of a lack of adequate action to ensure satisfactory implementation and compliance in other jurisdictions. Of particular concern has been the time taken to complete the water planning processing in Queensland and the perception that diversions have been allowed to grow significantly in that State. The current lack of a satisfactory Cap for the north western NSW rivers has also been cited as further evidence of the lack of satisfactory implementation and compliance.

The IAG has been particularly conscious of the delays that have been experienced in the full implementation of the Council's 1995 decision to introduce a 'Cap' on further diversions within the Basin. However, the IAG has also been pleased with the progress made across the Basin in general, notwithstanding delays in finalising Cap definitions and compliance arrangements in some places. The IAG notes that with the completion of the Queensland WAMP and WMP programs by mid 2000 and progress made on the Border Rivers in NSW that it should be possible to introduce a more formal compliance program using Commission accredited simulation models as part of the 2000/01 water year. This will not conclude the implementation process and introduction of formal compliance arrangements across all valleys. However, it will represent a significant stage in the process of implementing the Cap and is likely to be seen by the Basin community as a demonstration of the commitment that the IAG has seen within all partner governments, towards the implementation of the Cap.

Having reached this important and significant milestone, the IAG is conscious that this represents only part of the objectives of the Council as contained in its 1996 report to introduce the Cap. There are clearly wider issues to do with the future allocation of instream water for environmental purposes which are not currently addressed by the implementation of compliance rules for the Cap. Thus, while not part of the IAG's terms of reference, the opportunity has been taken to reflect some of the questions raised by partner governments and stakeholders about how these environmental flow decisions and priorities might be made. This represents the 'Next Step' which is only possible having reached the position whereby mid 2000, the IAG expects each jurisdiction to have clear Cap definitions for its major diversions and workable compliance arrangements.

In addressing the specific terms of reference given to the IAG, a number of recommendations for Council consideration have arisen. These are:

It is recommended that:

- i) the Commission's office give consideration to the preparation of a register of Cap definitions as agreed by the partner governments as they finalise their monitoring and compliance programs;*
- ii) within the spirit of the Cap, jurisdictions should be encouraged to consider groundwater usage and allocation rules on an integrated basis with surface water diversions;*
- iii) jurisdictions should be asked to advise on likely implications of groundwater usage on the integrity of the Cap and downstream river health;*
- iv) MDBC should consider its policy position in relation to groundwater usage and rules if the likely impact as advised by the jurisdictions is significant;*
- v) MDBC note general compliance with Cap requirements in South Australia, Victoria, and the ACT;*
- vi) MDBC note that there has been a breach of the draft Schedule F requirements for the Barwon-Darling and high individual year exceedence of the Cap diversion target for the Lachlan and Murrumbidgee;*
- vii) MDBC note the substantial growth in storages and by implication diversions in Queensland;*
- viii) each jurisdiction puts in place an appropriate quality management system for the management of metering, monitoring and reporting data;*
- ix) the States and ACT through the MDBC establish a set of trading rules to enable free trade within and between valleys, within and between States (and the ACT);*
- x) models for the major valleys be completed and forwarded to the MDBC for assessment and endorsement in time for the finalisation of Schedule F in September 2000;*
- xi) the definition of the Cap be modified to delete reference to "in unregulated rivers this Cap may be expressed as an end-of-valley flow regime";*
- xii) Schedule F be modified to delete the end-of-valley flow option;*

xiii) *Clause 17 in Schedule F be modified to read:*

Advice to Council on remedial actions

17. (1) *The Government of a State referred to in paragraph 16(a) must:*
- (a) *report to the next Ministerial Council after a declaration is made under that paragraph, setting out:*
 - (i) *the reasons why diversions exceeded the Murray-Darling Basin diversion cap; and*
 - (ii) *action taken, or proposed to be taken by it to ensure that cumulative diversions are brought back into balance with the cap; and*
 - (iii) *the valley model predictions of the period within which it is predicted that the cumulative diversions will meet the long term diversion Cap; and*
 - (b) *report to each subsequent meeting of the Ministerial Council on action taken, or proposed to be taken by it to ensure that cumulative diversions are brought back into balance with the cap in accordance with paragraph 17(1)(a), until the Commission revokes a declaration pursuant to sub-clause 17(2).*
- (2) *When the Commission is satisfied that a State in respect of which a declaration has been made under paragraph 16(a) has brought the cumulative diversions back into balance with the cap and is once more complying with the Murray-Darling Basin diversion cap in all respects, it must:*
- (a) *revoke the declaration; and*
 - (b) *report that fact to the next meeting of the Ministerial Council.*

and

xiv) *Clause 11(8)(a) in Schedule F be modified to read “include information about every water year concluding after 1 November 2000”.*

1. INTRODUCTION

The Independent Audit Group (IAG) has been asked to undertake a review of the Cap implementation and compliance. This forms part of a wider review of the operation of the Cap and how it can be further refined to meet the needs of the communities within the Murray-Darling Basin being undertaken by the Murray-Darling Basin Ministerial Council.

The IAG in its initial report to the Murray-Darling Basin Ministerial Council¹ placed some emphasis upon issues surrounding the implementation and compliance arrangements for the Cap. The IAG recognised that without widely held confidence in the physical operational aspects of the Cap, the Ministerial Council's objective of a better balance between consumptive and in-stream use of water would not be achieved.

As part of its review of the implementation and compliance issues associated with the operation of the Cap, the IAG has again referred to the six equity and consistency principles that it established as 'tests' for assessing proposals and submissions as part of its initial report on 'Setting the Cap'. Of specific relevance to this aspect of the current Review of the Operation of the Cap has been two of those principles, namely that:

- *water management processes be transparent and auditable; and*
- *a system of administration be implemented which is easily understood and which minimises time and costs (administrative efficiency).*

¹ MDBMC, 'Setting the Cap', Report of the Independent Audit Group, November, 1996.

2. TERMS OF REFERENCE

The Murray-Darling Basin Commission (MDBC) provided the following terms of reference for the five-year Review of the Operation of the Cap:

“To review the operation of the Cap (and, importantly, not the Cap itself) and provide suggestions for the more effective future operation of the Cap through obtaining independent assessments (involving the Independent Audit Group and partner governments to the initiative as appropriate) in each of the following areas:

Implementation and Compliance

By assessing progress in implementing the Cap including impediments and constraints to full implementation and addressing issues associated with ensuring Cap compliance covering the methodology adopted including the proposed Schedule F.”

Main tasks:

1. Partner governments, the CAC and the office of the Murray-Darling Basin Commission are asked to make a submission to the Review on the following issues:
 - (i) the implementation of the Cap including impediments and constraints to its full implementation;
 - (ii) ensuring Cap compliance;
 - (iii) the form and content of a permanent Schedule F; and
 - (iv) any outstanding implementation or compliance issues that may put at risk the future management of the Cap.
2. The Independent Audit Group (IAG) will be engaged to review submissions received in this component of the Review, meeting with partner government representatives to discuss their submission and providing independent advice on the following issues:
 - (i) has compliance been achieved at jurisdictional level?
 - (ii) are there any impediments to achieving compliance?
 - (iii) how has compliance, or otherwise, of different jurisdictions affected the implementation of the Cap in other jurisdictions;

- (iv) are the arrangements in place sufficient to ensure confidence in the Cap by governments and the community?
- (v) has the confidence of governments and community in the Cap been enhanced by the level of compliance to the Cap?
- (vi) have effective compliance tools (computer simulation models) been developed?
- (vii) the form and content of a Schedule F for Council consideration.

By way of clarification, the IAG was provided with additional advice that the Review of the Operation of the Cap should cover:

“(a) the clear areas of responsibility of the Ministerial Council/Commission (using the Murray-Darling Basin Agreement as a guide as necessary);

(b) those intra State issues that:

- (i) have been covered through the IAG process to date (eg, the Queensland WAMP process);*
- (ii) are appropriate given arrangements in Schedule F (where Cap implementation is defined at a sub-State level);*
- (iii) have inter-jurisdictional implications and/or repercussions.*

And where issues have been raised in the submissions that fall outside these instructions, recognising the impact of intra-valley issues on the operation of the Cap, the IAG should:

- (c) raise the issues in their report and make recommendations about appropriate action/response;*
- (d) where appropriate, use the opportunity to highlight outstanding issues (including education, communication) in the States.*

However, the IAG should focus on the principles raised and not become involved in particular cases.”

3. REVIEW PROCESS

The IAG has developed an open and accountable process in the conduct of its annual audits. A similar approach was utilised for this Review.

The IAG met with representatives of Commonwealth, States, and the ACT to discuss their respective submissions as they relate to the implementation and compliance term of reference during the period 31 January to 3 February 2000. The IAG has also analysed the Community Advisory Committee's and individual stakeholder submissions for implementation and compliance issues and possible options for addressing the issues. In addition the IAG met on 1 February with representatives of the Ricegrowers' Association of Australia, the MIA Council of Horticultural Associations and Murrumbidgee Irrigation.

Where implementation and compliance issues raised were the clear responsibility of any one jurisdiction and outside the terms of reference for the IAG, the IAG has suggested the issue be addressed by that jurisdiction.

Following the meetings and review of submissions, a draft report was prepared and circulated to the Commonwealth, States and ACT partner governments for comments on factual issues and preliminary findings. Such comments were considered by the IAG, however all of the final findings and recommendations are solely those of the IAG.

4. IMPLEMENTATION AND COMPLIANCE

Under the arrangements for this Review, community and other interest groups were invited to submit written proposals to the Review. Partner governments were asked to incorporate aspects of community views and comment in their own submissions. The IAG met with representatives of all partner governments and the following provides an overview of their comments and views on implementation and compliance issues.

4.1 South Australia

South Australia raised several matters in relation to implementation and compliance with the Cap. The matters raised by South Australia broadly reflected their concern that, being at the bottom end of the Basin, decisions taken by partner governments upstream of South Australia have a significant impact upon the quality and quantity of water that is available for consumptive and instream uses within South Australia.

Issues requiring further action raised by South Australia were:

- the need to reinforce the culture and commitment to the implementation of the Cap across the whole Basin;
 - ♦ community concern is heightened by loose statements from some industry, community and political groups which imply that the Cap should be abandoned;
 - ♦ South Australia is particularly conscious of the initiatives it has taken within its jurisdiction to cap consumptive use from the Basin at a specific volumetric level while some other partner governments are still to determine what is the definition of the Cap in their respective jurisdiction;
- the need for further improvement in the monitoring and reporting of water taken for consumptive use, with specific issues requiring further considering being:
 - ♦ the extent of unmetered diversion of water across the Basin;
 - ♦ the need for independent assessment and continuing dialogue on the use of models to determine compliance within the Cap;
 - ♦ the introduction of penalties for non-compliance with the Cap limits on diversions;
 - ♦ a periodic (every five years) more comprehensive audit of water usage across the Basin.

South Australia also raised the wider issue of the allocation of water flows to meet competing environmental enhancement objectives within the Basin. Although within the Cap and consistent with the overall objectives of the Ministerial Council to achieve a better balance between consumptive and instream uses, environmental enhancement activities upstream from South Australia can have important implications for flows passing through South Australia.

4.2 Victoria

Victoria has progressed its implementation of the Cap through the implementation of its bulk water entitlements system. When fully implemented, bulk water entitlements will cover 98 percent of all diversions in the Victoria component of the Basin. The remainder of diversions are by private diverters under licences from unregulated streams. Growth of these diversions is controlled by trading rules that are being progressively reviewed and through formal stream flow management plans. It is expected that these plans will be put in place over an extended number of years.

Specific issues raised by Victoria in relation to Cap implementation and compliance were:

- the need to finalise the compliance reporting arrangements under Schedule F and to implement Schedule F on a permanent and ongoing basis;
- the need for some form of requirement within the compliance arrangement to ‘make good’ any use that was deemed to exceed the specified river valley Cap;
- while fully supporting the use of climate adjusted models to establish compliance with the Cap, concern about the cost associated with preparing and maintaining these models for smaller regulated systems;
- concern with the level of compliance and operating rules adopted by other partner governments, particularly where it appears that diversions are exceeding the Cap (or the spirit of the Cap where the ‘Cap’ has yet to be determined);
- the need for wider community awareness and understanding of what is happening in other partner government jurisdictions to allay concerns about apparent differences in approaches adopted throughout the Basin.

4.3 New South Wales

New South Wales has been progressively implementing a program of water reform as part of its Ecologically Sustainable Development (ESD) program. The development of environmental flow rules has been integral to this program, along with implementing the Cap on diversions.

While the environmental flow rules may influence diversions, they are not designed or targeted at achieving Cap compliance. Maintaining Cap, however, is fundamental to achieving the benefits targeted by the environmental flow rules. For Cap management purposes, NSW has introduced various strategies such as controlling access to off-allocation water and reducing on-allocation levels as part of its control on water diversions. In addition, various levels of carry over now operate across the State and continuous accounting is being trialed in the north western valleys.

All interest groups in NSW are in general agreement that the Cap is an essential measure to protect water rights, security of supply and business investment. However, NSW has concern about the problems of using annual comparisons of diversions against Cap volumes as the only measure of performance. NSW will use its allocation (both on- and off-) rules as tools to meet the Cap requirements. NSW notes however that:

- there is an expectation that rule changes will occur immediately following the reading of water meters whereas in fact this process takes about one year; and
- because of the inter-annual variation in valley flows, these rules will be more effective in some years and less in others;
- thus it may be some years before conditions are such that access rules ‘bite’ and bring the usage back to the Cap.

In these circumstances, NSW wants to ensure that there is recognition in the monitoring and enforcement arrangements for the climatic pattern of river flows.

NSW endorses the use of long term climate adjusted simulation models such as the Integrated Quantity Quality Model (IQQM). However, in order to redress the backlog in preparing these models, NSW is seeking endorsement of some form of simplified draft models which may be used for compliance purposes. This would require some clear guidance on interim interpretation of the Schedule F provisions if draft models were to be used on some minor streams for a number of years.

Formal approval and endorsement of models under the proposals outlined in the draft Schedule F is supported by NSW who is ready to submit its first model for formal assessment. A clear start date for Cap compliance enforcement is supported by NSW.

4.4 Queensland

Queensland has noted that it effectively introduced a ‘cap’ on its section of the Basin prior to the Council’s decision in 1995 by way of a direction to hold any new applications for diversions. Having obtained Council agreement to a modified interim Cap to allow ongoing planning and management until a final Cap could be determined, Queensland embarked on an

extensive evaluation and review program under the framework of Water Allocation and Management Planning (WAMP) and Water Management Planning (WMP) initiatives.

This WAMP and WMP program is now nearing completion and it is expected that outcomes will be available by mid 2000. This will coincide with the introduction of new legislation which will give Queensland the power to control diversion of water from flows that are not contained within the 'bed and banks' of a watercourse.

With the completion of the WAMP and WMP process, Queensland will be in a position to agree a Cap and to develop appropriate modelling and monitoring arrangements against which compliance with the Cap can be measured.

On Schedule F, Queensland's views is that its finalisation should be deferred until water management plans are finalised for the Queensland section of the Basin and the Queensland long term Cap defined. Management of diversions into 'on-stream' storages is recognised as being an important element of the water management plans currently being developed in Queensland. They will also need to be reflected in the Schedule F reporting arrangements and the management response to exceedence of the Cap once it is determined.

4.5 Australian Capital Territory

A Cap has yet to be determined for the ACT. It is expected that the ACT will shortly bring forward to the Council a proposal for a Cap covering the Territory together with proposed management rules.

One of the outstanding issues for the ACT is the trading rules to be applied to water being traded up or down the Basin from the ACT. This issue was addressed by the IAG in its November 1999 Report². Negotiations between the ACT and NSW have yet to be concluded to resolve this issue.

From an implementation and compliance perspective, the ACT maintains a system of volumetric licensing of diversions. ACTEW is the primary 'user' and the provider of reticulated water for domestic and industrial use throughout Canberra.

Reporting of water diversions under the Schedule F proposal does not present a difficulty for the ACT, although special consideration may need to be given to the ACT's participation in the MDBMC under a Memorandum of Understanding when formalising the legal arrangements for the operation of Schedule F.

² MDBC, *'Review of Cap Implementation 1998/99, Report of the Independent Audit Group'*, November 1999.

4.6 Stakeholder Submissions

Submissions were invited from other stakeholders across the Basin. These submissions identified a range of issues relating to implementation and compliance (see Appendix 1). Not all of the issues raised are matters for resolution at Ministerial Council level, but rather reflect individual State jurisdictional issues, primarily to do with the implementation of Cap in that State.

Nevertheless, there are a number of matters which were reflected in comments from the other stakeholders. They include:

- a level of mistrust in the commitment by NSW and Queensland to the implementation of the Cap, particularly in the light of increased diversions in certain valleys and delays in completing the WAMP/WMP program;
- concern about aspects of the recovery of exceedence of Cap provisions as proposed within the draft Schedule F;
- implications of climatic conditions on the operation of the Cap;
- the inter-relationship between the Cap on surface water and the allocation and management of groundwater resources;
- the monitoring and quantification of farm dams and their treatment under the Cap;
- the need for tightening of allocation arrangements for inter-valley transfer of water.

5. DISCUSSION OF ISSUES

5.1 Response to the Terms of Reference

The terms of reference provide a list of issues that the IAG is to consider. For purposes of this report, each of these issues has been addressed in turn below.

1(i) the implementation of the Cap including impediments and constraints to its full implementation.

The issues raised in submissions from the partner governments and stakeholders cover a range of Basin wide and interjurisdictional issues. These issues include:

- the need for agreement on the final form of Schedule F (see discussion under 2(vii) below);
- the completion followed by the auditing and Commission approval of the computer models to be used to define the Cap (see discussion under 2(vi) below);
- completion of an agreed register of Cap definitions for designated river valleys throughout the Basin including definitions of what constitutes a diversion in each case;
- improved monitoring and reporting of all forms of diversions (see discussion under 2(vi) below);
- agreement on the definition and quantification of savings through changed management practices, infrastructure maintenance or improved management facilities; and
- provision of adequate resources for the implementation of the Cap.

Register of Cap Definitions

Preparation of an agreed register of Cap definitions represents a practical measure which would contribute to the implementation of the Cap, and in particular the broad acceptance of the operation of the Cap within the Basin community. The IAG has on previous occasions highlighted the need for action at a jurisdictional level to promote wider understanding and acceptance of the Cap and its operation. The individual jurisdictions are in the best position to present these arguments to their relevant constituencies. However, to the extent that the Commission can assist in this marketing exercise, it should be encouraged to do so.

One of the difficulties encountered at an individual constituency level is misunderstanding regarding aspects of the Cap and its application in other jurisdictions. To the extent that an agreed set of Cap definitions would contribute to a better understanding by stakeholders, the Commission's office could usefully assist in the preparation of a list of Cap definitions which could be widely published.

Recommendation:

- i) *It is recommended that the Commission's office give consideration to the preparation of a register of Cap definitions as agreed by the partner governments as they finalise their monitoring and compliance programs.*

Definition and Quantification of Savings

Agreement on the definition and quantification of savings in diversions will assist in the operation of the Cap. However, it is not essential to the implementation of the Cap itself. Rather, it will contribute to a greater understanding of the potential for allocation of water for in-stream purposes, and thus can be expected to become of greater importance as the implementation process proceeds and further consideration is given to improving existing flow regimes or utilising water for consumptive purposes within the Cap.

Inter-jurisdictional issues requiring completion are:

- agreement on interstate trading rules between NSW and the ACT (see discussion under 2(ii) below);
- the resolution of accounting rules for water use in the Barmah-Millewa forest (see discussion under section 5.2 below);
- agreement on the way that environmental savings and environmental losses are treated under the Cap (see discussion under section 5.2 below);
- agreement on the way that any reductions in transfer from the Snowy River will be treated under the Cap; and
- the treatment of groundwater under the Cap.

Snowy River Diversions

The treatment of Snowy River transfers is a matter which the IAG believes should more appropriately be considered by the individual participating States, namely NSW and Victoria. Victoria has indicated that it's preference in returning flow to the Snowy River is to utilise savings achieved from operation of the Murray system. NSW has not indicated how it might allocate water for this purpose should it decide to redirect flows.

From a Cap implementation and compliance perspective, any decision to redirect water into the Snowy River is not a matter requiring consideration as part of this Report. However, the IAG notes that to the extent that water is diverted into the Snowy River it effectively has an impact upon the ultimate flows through the Murray-Darling system and thus should either be considered within the Cap, or as an allocation for environmental purposes which would need to be considered as having higher priority than the in-stream health of the Murray-Darling system itself. An allocation from savings achieved from within the Murray-Darling Basin would be consistent with the Council's 1995 decision to maintain existing **flow requirements** in the Basin, but would not contribute to any **improvement** in those flows (see also discussion under section 5.2).

Treatment of Groundwater

Studies indicate that about 50 percent of the base load of streams can be fed by groundwater, although this proportion varies significantly. For example, in some locations, streams contribute significantly to the recharge of groundwater.

The Cap on surface water use has resulted in some increased pressure on groundwater, although at this time it is unclear as to what extent this is a problem. Victoria has advised that it is currently implementing a program to ensure that groundwater resources are allocated on a sustainable basis.

Currently groundwater is not included within the Cap. The IAG is of the view that in principle, despite the exclusion of groundwater from the Cap, the total water resource should be managed sustainably. Should there be substantial leakages between streams and groundwater aquifers there could be important implications for the Cap. For example, by having groundwater outside of the Cap could encourage greater usage of this resource which, if the aquifer is directly fed by local streams, could contribute to reduced downstream flows and associated river health problems and increased salinity.

The extent to which this problem exists or is likely to arise will more likely be a jurisdictional issue. However, there could be important river health problems for downstream users and raising interjurisdictional concerns. Thus, the IAG is of the view that further consideration needs to be given to this issue following appropriate analysis of available information.

Recommendations:

It is recommended that:

- i) within the spirit of the Cap, jurisdictions should be encouraged to consider groundwater usage and allocation rules on an integrated basis with surface water diversions;*

- ii) *jurisdictions should be asked to advise on likely implications of groundwater usage on the integrity of the Cap and downstream river health;*
- iii) *MDBC should consider its policy position in relation to groundwater usage and rules if the likely impact as advised by the jurisdictions is significant.*

1(ii) ensuring Cap compliance.

See discussion under 2(i), (ii), (iii) and (vi) below.

1(iii) the form and content of a permanent Schedule F.

See discussion under 2(vii) below.

1(iv) any outstanding implications or compliance issues that may put at risk the future arrangement of the Cap.

See discussion under 1(i) above and 2(i) and (ii) below.

2(i) has compliance been achieved at a jurisdictional level.

Cap compliance has been assessed annually by the IAG and reported on. A State by State and ACT summary is:

South Australia

Fully compliant in all years.

ACT

No Cap has yet been established but consumption to date is likely to be below any Cap agreed on.

Victoria

The 1996/97 report suggested that diversions from the Murray Goulburn system could have exceeded the Cap although at that time no climate adjusted Cap was available.

In all other years diversions were below the climate adjusted Cap targets.

New South Wales

In 1996/97 consumption on the Murrumbidgee and Lachlan appeared to exceed the Cap. Other valleys were within Cap limits.

Similar concerns were expressed in 1997/98 and the Barwon-Darling and Border Rivers also appeared to have high levels of diversions although no climate adjusted models were available for definitive comparisons.

In 1998/99 the IAG advised that using the provisions of draft Schedule F the Barwon-Darling was clearly in breach. A similar comment was made about the Lachlan although following the provision of additional information by New South Wales this proved not to be the case.

The 1998/99 report also indicated that diversions exceeded the climate adjusted Cap for the Murrumbidgee but that the cumulative differences were not in breach of draft Schedule F.

Queensland

No Cap has yet been established for Queensland. Council agreed to base a decision on the outcome of proposed FMP, WAMP and WMP processes for the Border Rivers, Condamine-Balonne and Moonie and Paroo/Nebine/Warrego respectively. Those were originally expected to be completed by July 1997 but recent advice is that details on Queensland's position on most valleys will be available to Council in July 2000.

In the interim there has been an increase in storages and probably diversions. Since 1993/94 there has been:

- an increase from 360 GL to 1,050 GL in on-farm storages for river diversions;
- an increase from 44 GL to 120 GL in floodplain storages. There are no constraints on water diversion from floodplains as it remains unlicensed; and
- an increase in total diversions from 338 GL to 608 GL in 1998/99 although no direct valid comparisons are available due to differences in rainfall and flow conditions.

It is difficult however, not to conclude that there has been significant growth in storages and diversions and as a consequence the IAG recommended that a moratorium be placed on further diversions in their 1997/98 and 1998/99 reports.

This growth is likely to constrain the outcome of the present planning studies in terms of achieving a balance between diversions and river health including downstream impacts.

The Queensland Government following negotiations with NSW have advised that further growth in diversions in regulated streams of the Border Rivers will not be allowed. No such decision has been made for the Condamine-Balonne.

Recommendations:

It is recommended that:

- i) MDBC note general compliance with Cap requirements in South Australia, Victoria, and the ACT;*
- ii) MDBC note that there has been a breach of the draft Schedule F requirements for the Barwon-Darling and high individual year exceedence of the Cap diversion target for the Lachlan and Murrumbidgee;*
- iii) MDBC note the substantial growth in storages and by implication diversions in Queensland.*

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| 2(ii) are there any impediments to achieving compliance. |
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The implementation of the Cap on diversions in the Murray-Darling Basin is still progressing. The major delay in implementing Council's 1995 decisions is the availability of resources within Government agencies, particularly New South Wales, Queensland and Victoria, to develop suitable models to determine Cap limits and ensure future compliance.

An equally important factor has been to manage the change process in consultation with the community. To provide adequate information to stakeholders and to ensure opportunities for meaningful involvement is also resource intensive.

Despite this considerable progress has been made but there are a number of outstanding issues that need to be addressed before the Cap can be fully operationalised. These include:

Basin-wide Issues

The following aspects of Cap implementation need to be addressed throughout the Basin:

- agreement upon the permanent form of Schedule F – Cap on Diversions to the Murray-Darling Basin *Agreement* (see 2(vii));
- completion, auditing and Commission approval of the computer models to be used to define the climate adjusted Cap target for each water year (see under 2(vi));

- improved monitoring and reporting of all forms of diversion including diversion on unregulated streams, from farm dam (all jurisdictions) and floodplain harvesting diversions (New South Wales and Queensland).

Inter-jurisdictional Issues

The following aspects of Cap implementation which require completion are of an inter-jurisdictional nature:

- agreement on interstate trading rules;
- the resolution of accounting rules for water use in the Barmah-Millewa forest, including the options for borrowing, paying back and trading from this account by NSW and/or Victoria;
- agreement on the way that any reductions in transfers from the Snowy River will be treated under the Cap.

Outstanding Cap implementation tasks by jurisdiction are:

New South Wales

- resolution of the Cap definition for the Border Rivers taking account the equity issue associated with the enlargement of Pindari Dam;
- development of Cap arrangements for the Barwon-Darling, Lower Darling and the Lowbidgee District.

Victoria

- resolution of the Cap definition for the Goulburn/Broken/Loddon designated river valley to account for the equity issue associated with the operation of Lake Mokoan.

South Australia

- provision of reports on the Cap for country towns supplied from the River Murray and subsequent determination of an appropriate Cap for this use;
- the completion of the installation of meters within the Reclaimed Swamps to more accurately monitor diversions and from this develop an appropriate Cap and arrangements for trading of this water; and
- the revision of the Cap for pumped irrigation in South Australia, which should be set at the absolute number of 440.6 GL, rather than 90 percent of 489.6 GL.

Queensland

- the completion, auditing and Council consideration of the Water Allocation Management Plans (WAMPs) and Water Management Plans (WMPs) (as appropriate) which will be used to define the Cap target diversions;
- the introduction of an effective moratorium on further growth in diversions while the WAMP and WMP process are completed.

Australian Capital Territory

- the resolution of a Cap for the ACT, which is within the range of the options proposed in the paper – ‘Options for Implementing the Murray-Darling Basin Water Cap in the ACT’ (July 1999).

A number of these issues have been addressed in other parts of this report or the Equity report.

Two issues will be dealt with in this section. These are:

- i) need for quality management systems for collection of metering, monitoring and reporting data;
- ii) finalisation of interstate trading rules.

Quality Management Systems

The proposed Schedule F is the vehicle to administer the Cap monitoring and reporting on key components for ensuring Cap compliance. This reliance however is heavily dependent on the information obtained from metering, monitoring and reports being reliable and verifiable. This can only be achieved if each jurisdiction puts in place an appropriate quality management system that outlines the processes and checks required for the handling of data. The IAG audit is only as good as the information supplied to it.

Recommendation:

It is recommended that:

- i) *each jurisdiction puts in place an appropriate quality management system for the management of metering, monitoring and reporting data.*

Finalisation of Interstate Trading Rules

One key element of the Cap was the vision that water would move from areas of low value to high value. This would enable individual growers to make decisions to optimise their returns. While rules have been established within valleys and a pilot interstate trading program has been trialled there is now a need to remove the barriers perceived in a number of the submissions to increased movement within and between valleys, and within and between States.

Recommendation:

It is recommended that:

- i) the States and ACT through the MDBC establish a set of trading rules to enable free trade within and between valleys, within and between States (and the ACT).*

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|--|
| 2(iii) how has the compliance, or otherwise, of different jurisdictions affected the implementation of the Cap in other jurisdictions. |
|--|

A number of submissions addressed the perceived non-compliance by Queensland, and in the case of the Barwon-Darling what appears to be a slow down in the finalisation of a River Management Plan that ensures its own compliance.

Queensland is not in breach of the Cap as Council agreed to consider an equity adjusted Cap following the completion of WAMP studies. Delays in completing the WAMPs and growth in storages and diversions during this period has resulted in a number of critical comments in the submissions. This has also been a matter which the IAG has commented upon in previous reports.

In the main, individual jurisdictions have progressed the Cap in their own jurisdiction. It is mainly within the farming community that there is concern about the equity of accepting a Cap within their valley while there is real or perceived growth in others. This issue will principally be addressed when the Queensland, Barwon-Darling and Border Rivers (NSW) Caps are finalised. However, there will continue to be a need for improved, coordinated release of information on compliance arrangements across the Basin (see 1(i) above and 2(iv) below).

| |
|--|
| 2(iv) are the arrangements in place sufficient to ensure confidence in the Cap by governments and the community. |
|--|

The IAG on the basis of the submissions from the Commonwealth, States, ACT and stakeholders and discussions with a number of representatives of the above is of the view that

there continues to be support for the Cap within the Commonwealth, States and ACT. Confidence in implementation of the Cap is likely to further increase when implementation is finalised and there is agreement to Schedule F. Concern has been expressed at the time taken for the completion of the Queensland planning studies and confidence is likely to increase further when these studies are finalised and provide an acceptable balance between diversions and river health including downstream impacts.

Confidence in the Cap has been assisted by annual audits by the Independent Audit Group. The reports of these audits are a public document and are readily available to the public.

Community confidence is not at the same level. The level of confidence varies within States depending on how the implementation has been handled, the number of equity issues and the degree of impact on individual irrigators. On the basis of the individual submissions received and the Community Advisory Committee report one can only conclude that while confidence is high in South Australia, Victoria and the ACT, similar high levels do not exist in New South Wales.

There is also still considerable uncertainty in the Queensland portion of the Basin pending the finalisation of the Border Rivers Flow Management Plan, the Condamine-Balonne WAMP and the WMP's for the Moonie and Warrego/Paroo/Nebine.

| |
|--|
| 2(v) has the confidence of governments and community in the Cap been enhanced by the level of compliance to the Cap. |
|--|

This issue has been addressed variously in sections 2(i) – (iv) and (vi).

| |
|--|
| 2(vi) have effective compliance tools (computer simulation models) been developed? |
|--|

As individual jurisdictions developed Cap implementation strategies it quickly became evident that computer simulation models were required for the major valleys to determine river flows and diversions over a range of climatic conditions. Advice received from the Office of the Murray-Darling Basin Commission indicates that following the division of the Basin into 'Designated River Valleys' for Cap compliance under Schedule 1 of Schedule F, some 22 compliance tools are required throughout the Basin. On a jurisdictional level the progress with the development of these compliance tools is summarised in Table 1.

| Table 1: Development of Computer Simulation Models in the Murray-Darling Basin for the Purposes of Determining Cap Compliance Throughout the Various Jurisdictions (to February 2000) | | | |
|---|--|---|--|
| Jurisdiction | Number of Separate Caps in Each Jurisdiction | Number of Models Developed (to Feb 00) for Cap Compliance | Number of Models Developed (to Feb 00) Endorsed by the MDBC as Required Under Schedule F |
| New South Wales | 10 | 1 | 0 |
| Victoria | 4 | 2 | 0 |
| South Australia | 2 | 0 | 0 |
| Queensland | 5 | 0 | 0 |
| ACT | 1 | 1 | 0 |
| Total Murray-Darling Basin | 22 | 4 | 0 |

There are currently no models endorsed by the MDBC as required under Schedule F for the determination of the Cap in the Murray-Darling Basin. The IAG was advised during the review that the model for the Macquarie River Valley would be submitted to the MDBC in February 2000 and that Victoria had already submitted two completed models.

The Office of the MDBC advised that it had responsibility for three of the incomplete models namely:

- the lower Darling from the furthest upstream reach of Menindee Lakes to the furthest upstream reach of the Wentworth Weir Pool;
- the New South Wales portion of the Murray Valley including the portion of the Lower Darling influenced by the Wentworth Weir Pool; and
- the Victorian portion of the Murray Valley including the Kiewa and Ovens.

It is critical that models for each of the valleys be completed and that the priority be for the major valleys accounting for the highest diversions and those where non compliance is a high risk.

Recommendation:

It is recommended that:

- i) *models for the major valleys be completed and forwarded to the MDBC for assessment and endorsement in time for the finalisation of Schedule F in September 2000.*

2(vii) the form and content of a permanent Schedule F for Council consideration.

The proposed Schedule F – Cap on Diversions is the key administrative tool for implementation and monitoring of the Cap.

A number of the equity issues in the Schedule will be progressively finalised in 2000 and 2001 and provide the basis for finalising valley Cap targets in all States and the ACT (see Equity report).

Submissions from stakeholders also raised a number of other issues which are considered in this report.

End of Valley Flow Targets

Following advice from the IAG Council agreed to a Cap definition (leaving aside equity issues) of:

“the Cap is the volume of water that would have been diverted under 1993/94 levels of development.”

“In unregulated rivers this Cap may be expressed as an end-of-valley flow regime.”

The IAG was persuaded to this view on the basis of information provided on the variability in flow patterns in unregulated rivers and the benefits of identifying end of system flow regimes to achieve environmental outcomes. The latter argument still holds but the IAG on the basis of submissions received during the review including those from New South Wales and Queensland suggests that the Cap definition should delete *“In unregulated rivers this Cap may be expressed as an end-of-valley flow regime”*. This change is supported on the basis of the difficulty in measuring end-of-valley flows where there are multiple channels and where a substantial portion of the flows are on the floodplain or overland. In contrast the reliability of measuring diversion is much higher particularly with a move to metering of all diversions.

This position is also supported by the fact that end-of-valley flow targets do not protect the security of supply in a valley from reduced inflows from either unregulated parts of the valley or upstream valleys.

Recommendations:

It is recommended that:

- i) the definition of the Cap be modified to delete reference to “in unregulated rivers this Cap may be expressed as an end-of-valley flow regime”;*

ii) *Schedule F be modified to delete the end-of-valley flow option.*

Compliance to Cap Targets

Clause 17 of Schedule F deals with “Advice to Council on remedial actions”.

The focus to date has been on payback provisions and a number of the stakeholder submissions including advice from the Community Advisory Committee of the Murray-Darling Basin Ministerial Council is strongly supportive of remedial action to bring diversions back in control where cumulative above average diversions have exceeded 20 percent of the average annual diversion. Much of the debate to date is based on semantics. Every jurisdiction supports compliance to the Cap which is defined as the long term average diversion. Climate adjusted models identify annual Cap targets. A long term average implies that if there has been a period of above average use then by definition there has to be a period of below average use to achieve the long term average. The complication is that in a fully regulated environment it is possible for the responsible jurisdiction to modify management rules to bring diversions back in line with the Cap. This is more difficult to guarantee in the short term in highly variable unregulated systems. For such valleys there should be a requirement by the appropriate jurisdiction to identify remedial measures and to provide advice from models as to the likely impact of these measures. The exact time to achieve correction however is dependent on the flow regime in future years. For example, if the rule change is to reduce diversions in high flow years and this decision is followed by a number of dry low flow years, correction to the long term average will not occur until the next high flow cycle. The model results, provided the model is accredited, should provide the Commission, Council and the community with the necessary assurances that appropriate remedial action has taken place.

A number of changes to Clause 17 of Schedule F are proposed to accommodate the above.

Recommendation:

It is recommended that:

i) *Clause 17 in Schedule F be modified to read:*

Advice to Council on remedial actions

17. (1) *The Government of a State referred to in paragraph 16(a) must:*
- (a) *report to the next Ministerial Council after a declaration is made under that paragraph, setting out:*
 - (i) *the reasons why diversions exceeded the Murray-Darling Basin diversion cap; and*

- (ii) *action taken, or proposed to be taken by it to ensure that cumulative diversions are brought back into balance with the cap; and*
- (iii) *the valley model predictions of the period within which it is predicted that the cumulative diversions will meet the long term diversion Cap; and*
- (b) *report to each subsequent meeting of the Ministerial Council on action taken, or proposed to be taken by it to ensure that cumulative diversions are brought back into balance with the cap in accordance with paragraph 17(1)(a), until the Commission revokes a declaration pursuant to sub-clause 17(2).*
- (2) *When the Commission is satisfied that a State in respect of which a declaration has been made under paragraph 16(a) has brought the cumulative diversions back into balance with the cap and is once more complying with the Murray-Darling Basin diversion cap in all respects, it must:*
 - (a) *revoke the declaration; and*
 - (b) *report that fact to the next meeting of the Ministerial Council.*

Data for Finalisation of Schedule F

It is expected that the majority of equity issues, and certainly the major equity issues, will have been addressed by July 2000. With those models that have been developed it would be appropriate to commence implementation of the full Schedule F in September 2000 in time for the 2000/01 water year. This date would enable Queensland, ACT and a number of valleys in New South Wales to be included from the commencement of Schedule F.

A change to clause 11(8) is proposed to accommodate the above.

Recommendation:

It is recommended that:

- i) *Clause 11(8)(a) in Schedule F be modified to read “include information about every water year concluding after 1 November 2000”.*

Other Proposals

A number of other proposals for further refinement of Schedule F were received in submissions. The IAG sees these as improvements which can be considered over time as the Commission and Council consider additional issues that may impact on flows, diversions and river health.

5.2 The Next Step

A number of the submissions highlighted the need for balance between water for diversions and river health. Some questioned whether the Cap per se could address environmental degradation that has occurred in parts of the Basin.

The Murray-Darling Basin Ministerial Council in its landmark 1995 decision to establish the Cap recognised that the two primary objectives driving the decisions to implement the Cap were:

- 1) to maintain and, where appropriate, improve existing flow regimes in the waterways of the Murray-Darling Basin to protect and enhance the riverine environment; and
- 2) to achieve sustainable consumptive use by developing and managing Basin water resources to meet ecological, commercial and social needs.

This review indicates that there has been significant progress in implementing the Cap, and that by mid 2000 most States and the ACT should be in a position to agree to a modified Schedule F which provides a quality assured framework for Cap implementation, monitoring, reporting, auditing and corrective action. By 2001 Council's objective of limiting diversions, equity adjusted, to those equating to 1993/94 levels of development should be achievable.

The challenge for the Commonwealth, States and ACT through the Ministerial Council is to identify the next step in achieving its objective of "to protect and enhance the riverine environment". Although not part of its terms of reference the IAG, based on its audits over the period 1996/97 to 1998/99 and on analysis of the submissions received, suggests a framework for improving environmental outcomes.

A Framework for Environmental Outcomes

Capping of diversions is being achieved in the context of the community's expectations for improved environmental and, in the context of the Murray-Darling Basin, river health outcomes. Many of the jurisdictions in defining valley Caps have undertaken additional work to identify environmental values, performance criteria and flow regimes for particular valleys or parts of valleys. This has however been done in isolation. There is now an opportunity

arising out of Cap implementation and the cooperative arrangements that exist between jurisdictions through the MDBC to examine environmental issues from a 'whole of Basin perspective'. The steps include:

- 1) identify key environmental values eg, Barmah Forest, Ramsar Wetlands, Murray mouth;
- 2)
 - i) define appropriate criteria for protection of these values eg, invertebrate population;
 - ii) determine appropriate monitoring regime;
- 3) identify flow regimes to protect these values;
- 4) negotiations between States and ACT through MDBC to integrate flow regimes to achieve whole of Basin outcomes;
- 5) States and ACT to appoint Environmental Resource Managers from within existing agencies to be responsible for managing, monitoring and reporting on environmental flows and outcomes;
- 6) periodic reports on river health with frequency determined following outcomes from 2(ii) and reflecting cost of monitoring some criteria;
- 7) audit of reports on river health and reports to MDBC and Council;
- 8) dissemination of report highlights to Basin community.

This proposal provides the mirror image to the current Cap arrangements which focus on limiting diversions and monitoring compliance. The proposal would establish environmental values and appropriate flow regimes to maintain and where appropriate improve these and monitor performance.

Such an approach would provide the community with confidence that the balance between diversions and environmental outcomes is achieved. This approach builds on the work done by individual jurisdictions but suggests whole of Basin priorities and cooperation to achieve them.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

The IAG has concluded that while implementation and compliance arrangements for the operation of the Cap have not been concluded, there has been important progress across the Basin. While some jurisdictions are further advanced than others in terms of implementation and compliance issues, this in part reflects the complexity faced by the States concerned in implementing the Cap. There is general support for the Cap and the achievement of the Council's objectives being to improve existing flow regimes and achieve sustainable consumptive use.

With the completion of the Queensland WAMP and WMP process and recent developments in relation to the management of the Border Rivers, a number of the more significant shortfalls in terms of implementation will have been addressed. It is expected that this will then allow completion of Schedule F in a final form to take effect from the 2000/01 water year.

Some interim arrangements will still be required for monitoring of those streams for which Commission endorsed models will not be available for a number of years. However, there is a willingness and goodwill from all jurisdictions towards the adoption of interim arrangements for those valleys and streams for which a formally endorsed model will not exist from the 2000/01 water year. The existing goodwill shown towards the auditing program of the IAG over the last four years, if continued should contribute to an acceptable enforcement process until such time as final models are prepared for all valleys and streams.

The IAG has identified a number of matters which should be considered by the Council as arising out of this Review. The IAG has also highlighted a possible framework for considering what might be the 'Next Step' now that Cap implementation is nearing completion. These 'Next Step' options are drawn to the attention of Council for its long term consideration.

6.2 Recommendations

It is recommended that:

- i) the Commission's office give consideration to the preparation of a register of Cap definitions as agreed by the partner governments as they finalise their monitoring and compliance programs;*

- ii) *within the spirit of the Cap, jurisdictions should be encouraged to consider groundwater usage and allocation rules on an integrated basis with surface water diversions;*
- iii) *jurisdictions should be asked to advise on likely implications of groundwater usage on the integrity of the Cap and downstream river health;*
- iv) *MDBC should consider its policy position in relation to groundwater usage and rules if the likely impact as advised by the jurisdictions is significant;*
- v) *MDBC note general compliance with Cap requirements in South Australia, Victoria, and the ACT;*
- vi) *MDBC note that there has been a breach of the draft Schedule F requirements for the Barwon-Darling and high individual year exceedence of the Cap diversion target for the Lachlan and Murrumbidgee;*
- vii) *MDBC note the substantial growth in storages and by implication diversions in Queensland;*
- viii) *each jurisdiction puts in place an appropriate quality management system for the management of metering, monitoring and reporting data;*
- ix) *the States and ACT through the MDBC establish a set of trading rules to enable free trade within and between valleys, within and between States (and the ACT);*
- x) *models for the major valleys be completed and forwarded to the MDBC for assessment and endorsement in time for the finalisation of Schedule F in September 2000;*
- xi) *the definition of the Cap be modified to delete reference to “in unregulated rivers this Cap may be expressed as an end-of-valley flow regime”;*
- xii) *Schedule F be modified to delete the end-of-valley flow option;*
- xiii) *Clause 17 of Schedule F be modified to read*

Advice to Council on remedial actions

17. (1) *The Government of a State referred to in paragraph 16(a) must:*
- (a) *report to the next Ministerial Council after a declaration is made under that paragraph, setting out:*
 - (i) *the reasons why diversions exceeded the Murray-Darling Basin diversion cap; and*

- (ii) *action taken, or proposed to be taken by it to ensure that cumulative diversions are brought back into balance with the cap; and*
 - (iii) *the valley model predictions of the period within which it is predicted that the cumulative diversions will meet the long term diversion Cap; and*
 - (b) *report to each subsequent meeting of the Ministerial Council on action taken, or proposed to be taken by it to ensure that cumulative diversions are brought back into balance with the cap in accordance with paragraph 17(1)(a), until the Commission revokes a declaration pursuant to sub-clause 17(2).*
- (2) *When the Commission is satisfied that a State in respect of which a declaration has been made under paragraph 16(a) has brought the cumulative diversions back into balance with the cap and is once more complying with the Murray-Darling Basin diversion cap in all respects, it must:*
 - (a) *revoke the declaration; and*
 - (b) *report that fact to the next meeting of the Ministerial Council.*

and

- xiv) *Clause 11(8)(a) in Schedule F be modified to read “include information about every water year concluding after 1 November 2000”.*

7. FURTHER READING

- Setting the Cap, Report of the Independent Audit Group, November 1996;
- Review of Cap Implementation 1996/97, Report of the Independent Audit Group, August 1997;
- Review of Cap Implementation 1997/98, Report of the Independent Audit Group, November 1998;
- Review of Cap Implementation, Report of the Independent Audit Group, November 1999.

APPENDIX 1 - SUMMARY OF SUBMISSIONS

The issues tabulated below are discussed in Sections 4 and 5 of this Report.

| | | | Implementation | | | | | | | | Compliance | | | | | | |
|---------------------|-----|---|-----------------------------------|------------------------------------|-------------------------------|-------------|---------------|-------------|---------------|------------------------------------|-------------|-----------------------|--------------|-------------------------|-----------------------------|-----------------------------------|-------------------|
| | | | Accounting for savings and losses | Resources to effect implementation | Effect of environmental flows | Legislation | Communication | Snowy River | Water trading | Impact of changes / pace of change | Groundwater | All diversions in Cap | Actual cases | Tools (computer models) | Improved diversion data and | End-of-valley flows (for/against) | Long-term average |
| 1 | | Commonwealth Government | x | | | x | | | | x | x | x | x | | | x | |
| 2 | | NSW Government | x | x | | | | | x | x | x | x | | | x | x | |
| 3 | | VIC Government | | | | | | | x | x | x | x | | | | | |
| 4 | | SA Government | x | | | x | | | x | | x | x | x | x | | | |
| 5 | | QLD Government | | | | x | | | | | x | | | x | x | | |
| 6 | | ACT Government | | | | | | | | | | | | | | | |
| 7 | | CAC | | | x | x | | x | x | x | x | | | x | x | x | x |
| 8 | | MDBC Office | x | x | | | | | x | | x | x | x | x | x | x | x |
| STAKEHOLDERS | | | | | | | | | | | | | | | | | |
| 1 | NSW | Murray Catchment Management Committee | x | | | | x | | x | | x | | | x | | x | x |
| 2 | NSW | Murray Irrigation Ltd | x | | | | | | x | x | | | | | | | x |
| 3 | NSW | Southern Riverina Irrig. Districts Council | | | | | | | | | x | | | | | x | x |
| 4 | NSW | Murrumbidgee River Man. Comm. | | | | | | | | | | | x | | | | |
| 5 | NSW | Murrumbidgee Irrig., RGA & MIA CHA | | | | | | | x | x | | x | | | | | |
| 6 | NSW | MIA Council of Horticultural Associations | | | | | | | | | | | | x | | | |
| 7 | NSW | Hay Water Users | | | | | | | | | | | | x | | | |
| 8 | NSW | Murrumbidgee Valley Lic. Pumpers' Assoc. | | | | | | | | | | | | x | | | |
| 9 | NSW | Murrumbidgee Unregulated Streams Man. Comm. | | | | | x | | | | x | x | | | | | |
| 10 | NSW | Coleambally Community Action | | | | | | | | | | | | | | | |
| 11 | NSW | Lachlan Valley Water | | | | | | | | | | | | x | | | |
| 12 | NSW | Lachlan Shire Council | x | | | | | | | | | | | | | | |
| 13 | NSW | R Caldwell | | | | | | | | | | | | | | | x |
| 14 | NSW | Narromine Irrigation Board of Management | | | | x | | | | | | | | | | | |
| 15 | NSW | Namoi Valley Water Users' Association | | | | | | | | | x | x | | x | | | |
| 16 | NSW | Namoi Groundwater MC (incl. W L Weakley) | | | | | | | | | x | | | | | | |
| 17 | NSW | Gwydir Valley Irrigators Assoc | | | | | | | | | | | | x | | | |
| 18 | NSW | Twynam Pastoral Co | x | | | | | | x | | | | | x | | x | |
| 19 | NSW | Barwon-Darling River Management Committee | | | | | | | | | | | | | | x | |
| 20 | NSW | Darling River Food & Fibre | | | | | | | | | | | x | | | x | |
| 21 | NSW | Bourke Shire Council | | | | | | | | x | | | | x | | x | |
| 22 | NSW | Bourke Chamber of Commerce | | | | | | | | | | | | x | | | |
| 23 | NSW | Brewarrina Shire Council | | | | | | | | | | | | | | | x |
| 24 | NSW | Bourke Cotton Growers Association | | | | | | | | | | | | | | | |
| 25 | NSW | Walgett Water Users Association | | | | | | | | | | | | x | x | | x |
| 26 | — | Inland Rivers Network | x | | x | | x | | | | | | | x | x | x | x |
| 27 | NSW | National Parks Association | | | | | | | | | | | | | | | |
| 28 | VIC | Goulburn-Murray Water | | | | | | | | | | x | | | | | x |
| 29 | VIC | Victorian Farmers Federation | | | | | | | | | | x | | | | | |
| 30 | VIC | Goulburn – North East – Water for Ag. – MinCom. | x | | | | | | | | | | x | | x | | |
| 31 | QLD | Toowoomba & Region Greens | | | | | | | | | | | | | x | | |
| 32 | VIC | Australian Dried Fruits Association | | | | | | | X | x | | | | | | | |