

Sustainable Diversion Limit Adjustment Mechanism - The 605 GL

The Sustainable Diversion Limit Adjustment Mechanism (SDLAM) allows for the amount of water in the Basin to be adjusted providing projects achieve environmental outcomes but with less water.

The Basin Plan provides for the Basin-wide Sustainable Diversion Limit (SDL) to be reduced by up to 650 gigalitres (GL). The recovery of water through environmental offsets was determined at 605 GL in 2017 by the Murray Darling Basin Authority (MDBA), rather than 650 GL.

These projects are termed 'supply measures', usually referred to as environmental offset projects.

But, only 544 GL in Environmental Offsets can be counted towards the Basin Plan 2750 GL target

The Murray Darling Basin Plan (MDBP) set the long term average consumptive use of water at 10,873 GL across the entire Basin. The Act states this can only be adjusted up or down by projects, including environmental offsets, by 5% or 544 GL. This means the final water recovery must be between 2206 GL and 3294 GL.

So while 605GL has been identified for environmental offset projects only 544 GL can actually be counted towards the 2750 GL target due to this 5% rule in the Water Act.

In order to be within the 5% range an additional 62 GL of water is required to bring the total water recovery to 2206 GL that will be counted towards the 450 GL upwater target. Victoria has identified six projects that can achieve 9 GL of water savings and meet Victoria's commitment towards this 62 GL.

The Commonwealth may look to secure additional water if some of the environmental offset projects are not delivered as agreed by June 2024 and the MDBA determines that the package delivers less than the 605 GL target.

The breakdown of these offset water recovery targets will see Victoria provide 266 GL of offsets, 287 GL in New South Wales and 52 GL in offsets in South Australia.¹

605 GL Projects²

There are 36 projects called "supply" projects that aim to deliver environmental benefits equal to 605 GL.

There are four types of projects:

1. Environmental works and measures – such as building or improving river or water management structures
2. Changes to river operation rules that are the joint responsibility of Victoria and New South Wales
3. Constraint relaxation – that aims to create more flexibility to allow for overbank flooding
4. Other

What amount of equivalent water does each project deliver?

The MDBA has not provided environmental equivalence numbers for each project as many are grouped together to deliver an overall environmental outcome. However, we do know that the Menindee Lakes project estimated in its Business Case⁴ that it would deliver around 72 GL in environmental offsets. A report⁵ for the New South Wales and Victorian Governments by an expert panel estimated that the relaxation of constraints and the Enhanced Environmental Water Delivery Project will deliver 100 to 180 GL of 605 GL of environmental offsets.

What do all these 36 projects really mean?

Assuming Governments remain committed to the widened socio-economic test for the 450GL adopted in December 2018, Victoria has met its commitments providing it delivers its portion of the 605 GL offset projects.

These 36 projects are due to be completed by 2024, but many believe these timeframes are unrealistic. The Productivity Commission noted:

*"The 2024 deadline for a number of these projects (particularly the constraints projects) is highly ambitious, if not unrealistic."*⁶ (Pg 19)

The VFF is working to ensure

- Sufficient time and consultation is taken with landholders to ensure Government fully understands the impacts of relaxing constraints.
- The Commonwealth Government takes full responsibility for third party impacts due to environmental flooding.
- No properties are compulsorily acquired as part of constraint relaxation
- No flooding without agreement with landholders, as a result of constraint relaxation.
- That environmental benefits are monitored and publicly reported.
- If required, extend the 2024 timeframe for projects to be completed to reduce the need for further water recovery.

SDL Projects

State	Environmental Works and Measures	Rule Changes	Constraint Relaxation	Other
VIC (9 projects)	<ol style="list-style-type: none"> 1. Belsar-Yungera Floodplain 2. Burra Creek Floodplain 3. Gunbower National Park. 4. Guttrum and Benwell State Forests 5. Hattah Lakes North 6. Lindsay Island 7. Nyah Floodplain 8. Vinifera Floodplain 9. Wallpolla Island Floodplain 		Goulburn River 20,000 ML per day ³ .	
NSW (9 Projects)	<ol style="list-style-type: none"> 1. Yanco Creek Offtake 2. Yanco Creek system 3. Nimmie Caira. 4. Carrs; Capitts and Bunberoo Creek Systems 5. Murray and Murrumbidgee Valley National Parks 		6. Higher flows up to 40,000 ML per day at Wagga Wagga.	<ol style="list-style-type: none"> 7. The Computer Aided River Management (CARM) project aims to use better information in the form of metering and inundation modelling 8. Snowy Hydro License Amendments to create greater flexibility to achieve environmental outcomes 9. The Menindee Lakes Water Savings Project involves infrastructure works and operational changes to improve the Menindee Lakes system
SA (5 Projects)	<ol style="list-style-type: none"> 1. Eastern Mount Lofty Ranges 2. Coorong South Lagoon 3. SA River Murray between the border and Lock 1 4. 600kms between the Victorian border and Wellington 		5. 80,000 ML per day at the SA border	
VIC/NSW/SA (7 projects)	<ol style="list-style-type: none"> 1. Chowilla Floodplain 2. Hattah Lakes 3. Lindsay Island 4. Mulcra Island 5. Koondrook-Perricoota Forest 6. Gunbower Forest 			7. The Enhanced Environmental Water Delivery (EEWD) aims to improve environmental water releases from dams with increases in natural flows caused by rainfall
VIC/NSW (6 projects)		<ol style="list-style-type: none"> 1. Rule change to Barmah-Millewa Forest Environmental Water Allocation 2. Rule change to allow Hume Dam releases to be reduced more quickly 3. Rule change to allow future environmental water releases in airspace management 4. Technical changes in Murray River operating rules 	<ol style="list-style-type: none"> 5. Hume Dam to Yarrawonga up to 40,000 ML p/day 6. Yarrawonga to Wakool junction of 30,000 ML/day with a buffer for flows up to 50,000 ML p/day 	

¹ https://www.mdba.gov.au/sites/default/files/pubs/SDLAM-draft-determination-report_2.pdf

² <https://www.mdba.gov.au/sites/default/files/20180504-s7.13-Register-of-Sustainable-Diversion-Limit-Adjustment-Mechanism-%28SDLAM%29-measures.pdf>

³ This project is not counted towards the 605GL of environmental offsets

⁴ <https://www.mdba.gov.au/sites/default/files/pubs/menindee-lakes-water-saving-project-amendment-3.pdf>

⁵ https://www.industry.nsw.gov.au/___data/assets/pdf_file/0007/148228/Murray-Darling-Basin-SDL-Adjustment-Mechanism-Report-by-the-Victorian-and-NSW-Ministers-Independent-Expert-Panel.PDF

⁶ <https://www.pc.gov.au/inquiries/completed/basin-plan/report>

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