

Pre-requisite Policy Measures in the Murray-Lower Darling

Enabling provisions have been included in the *Water Sharing Plan for the Murray and Lower Darling Regulated Rivers Water Sources 2016* to allow pre-requisite policy measures (PPMs) to take effect.

What are Pre-requisite Policy Measures?

PPMs aim to maximise the beneficial outcomes of water recovered for the environment under the Basin Plan. They need rule changes to improve the use and accounting of water for the environment in the southern-connected Murray–Darling Basin.

Held environmental water represents a group of licences that are committed to the environment at any one time. PPMs are two new ways to manage held environmental water:

- To account for and protect ‘return flows’ of water for the environment. Some of the water used in an environmental event may return to the river as a ‘return flow’. These return flows are recognised and can be used for environmental purposes downstream (**environmental flow reuse**).
- To provide for **piggybacking**. Water for the environment can be released on top of unregulated flows. Environmental water holders will be able to order water from storage during regulated or unregulated flow events.

The measures are different from traditional management of consumptive water and river operations, as water released for irrigation is typically consumed with minimal return flow, and is met from the most efficient source available, including tributary inflows.

Rules for access to supplementary flow events will not change. Only environmental water ordered on top of supplementary flows will be protected from extraction or re-regulation.

Why are PPMs being introduced?

Basin State Governments agreed to implement PPMs under the *Intergovernmental Agreement on Implementing Water Reform in the Murray Darling Basin 2013*. Implementing PPMs is critical to achieving the environmental outcomes of the Basin Plan with the 2,750 GL of water identified for recovery.

PPMs maximise the benefits of supply projects under the Basin Plan sustainable diversion limit adjustment mechanism. Without PPMs in place, more water would need to be recovered for the environment to meet Basin Plan obligations.

In NSW, PPMs will be applied in the NSW Murray and Lower Darling and Murrumbidgee regulated rivers.

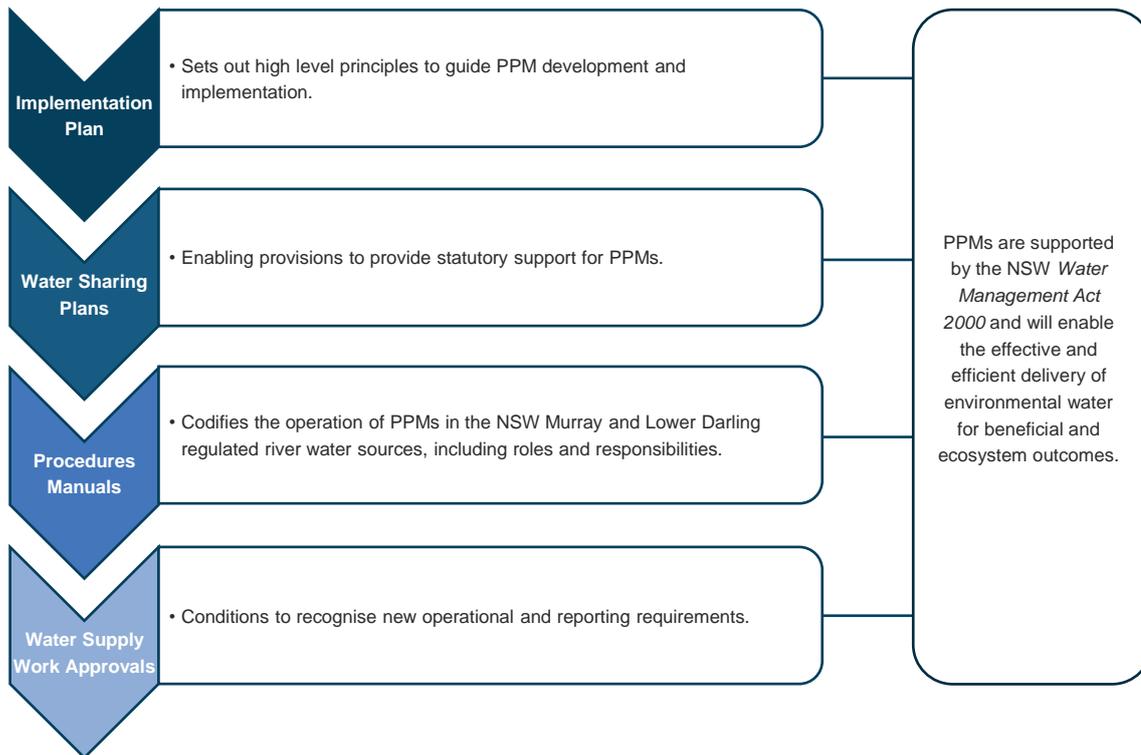
Under the Basin Plan, PPMs must be in effect by 30 June 2019. Measures in place must demonstrate that water for the environment can use piggybacking and environmental flow reuse for the efficient and effective use of held environmental water.

How will PPMs be implemented?

The Murray-Darling Basin Authority (MDBA) developed PPM Assessment Guidelines. These guidelines require arrangements for PPMs that are secure and enduring, fully operable, transparent and identify and mitigate risks.

The water sharing plan provisions for PPMs will form part of the amendments proposed as part of the NSW Murray and Lower Darling water resource plan process. These changes will take place in mid-2020.

NSW needs to show our commitment to implementing PPMs from 30 June. We have provided a letter of assurance confirming that PPMs can and will be implemented. The letter will point to the arrangements set out in the Procedures Manuals. This letter will be effective from 1 July 2019 until the new clauses in the relevant water sharing plans and conditions to the Water Supply Work Approvals are in place.



How will PPMs be managed in the River Murray?

The arrangements for the joint management of the River Murray are set out in the Murray–Darling Basin Agreement. The MDBA operate the system on behalf of the states of New South Wales, Victoria and South Australia, and the Australian Government. They direct the system operations in accordance with the arrangements set out in the Agreement.

The MDBA is responsible for coordinating the implementation of PPMs for the shared resources of the River Murray, on behalf of New South Wales, Victoria and South Australia. PPMs are made effective through inclusion in relevant river operations instruments, including the Murray-Darling Basin Agreement and the *Objectives and Outcomes for River Operations in the River Murray System*. In particular, Specific Objective and Outcomes provide for directed releases from storages (Hume Dam, Lake Victoria and Menindee Lakes) and assumed use of held environmental water from Hume Dam as a starting point for PPMs in the River Murray. Together with the NSW PPM framework, secure and enduring arrangements are provided for PPMs in the River Murray.

What about potential risks?

The use of PPMs is a new way to manage and account for the release and use of held environmental water. NSW aims to achieve an appropriate balance between the efficient and effective use of held environmental water licences for beneficial environmental outcomes, and maintaining the access rights for other water

licence holders. Where there is uncertainty, NSW will apply a precautionary approach to minimise potential detrimental impacts.

NSW will apply conservative estimates of environmental water use where there is uncertainty or a lack of information. These estimates will be based on best available information and will be reviewed and improved over time.

NSW will improve accounting measures and approaches under PPMs as more accurate measurement and modelling becomes available. PPM rules in the WSP will allow for flexibility in the way rules are applied.

The Procedures Manual specifies an adaptive management framework to allow arrangements to evolve and improve over time.

Adaptive management

The delivery of environmental water is still evolving. Watering actions provided by PPMs are different to traditional regulated river system operations. The NSW PPM framework provides for adaptive management to allow for arrangements and actions to be reviewed, altered and improved over time.

The Procedures Manual describes a process for reporting, evaluation and review.

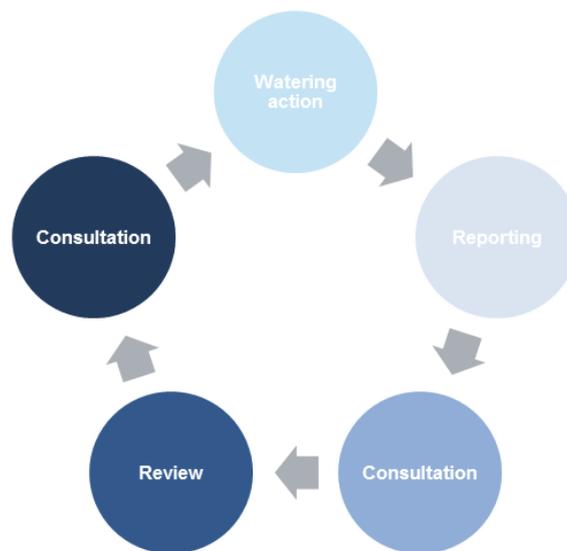


Figure 1 Overview of the annual PPM review cycle

DoI Water will conduct an annual evaluation and review of the operation of PPMs. The principles set out in the Procedures Manual and the assessment guidelines set out by the MDBA will guide the review. The review will be undertaken in consultation with key stakeholders.

DoI Water will prepare and publish a report on the review each year, including any findings and recommendations.

Consultation

Consultation is an important element in the delivery of environmental water that relies on PPM actions. The Procedures Manual describes the consultation requirements to provide transparency.

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