

Victoria's approach to the Murray-Darling Basin is about communities living with healthy, working rivers.

Each year, the Victorian Government reports to the Commonwealth Government on its progress towards delivering its obligations under the Basin Plan and other statutory agreements such as the National Partnership Agreement.

This report provides a summary of Victoria's Basin Plan annual reporting key achievements. It complements the detailed information provided in the annual reporting template which covers Victoria's obligations in relation to the Murray-Darling Basin Plan for:

- Basin Plan Schedule 12 (except Matter 9 – use of environmental water);
- the Basin Plan Implementation Agreement compliance requirements; and
- the milestone assessments of the National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin (NPA).

This highlights document together with the Reporting Template forms Victoria's Statement of Assurance against milestones in the NPA.

This summary outlines key aspects of Victoria's progress towards achieving the agreed Basin Plan obligations. Throughout 2017-18, Victoria has continued to support the delivery of the Murray-Darling Basin Plan's objectives in a way that balances social, economic and environmental outcomes.

Local Knowledge and Stakeholder Engagement

Victoria is committed to meaningful engagement with local communities and stakeholders. Victoria takes seriously the importance of including stakeholders in decision making on the implementation of the Basin Plan and highly values local knowledge. Victoria has delivered on its Basin Plan commitment to stakeholder engagement and ensures local knowledge informs and influences the planning and delivery of water. Examples of local engagement include the work of Victoria's Catchment Management Authorities (CMAs).

Victoria is collaborating with Traditional Owners to incorporate Aboriginal community knowledge, values and perspectives when planning environmental watering. This has included:

Input to annual watering priorities

- ✓ *Engagement by North Central CMA at Gunbower Forest with Barapa Barapa Traditional Owners, with whom they have continued to work throughout 2017/18 to provide knowledge that directly feeds into the Seasonal Watering Proposal and Seasonal Watering Plan for Gunbower Forest and Creek. This engagement ensures both ecological and cultural objectives are considered when developing the proposal and provides opportunities to identify potential activities for the coming watering year.*

Planning for specific watering events

- ✓ *Barapa Barapa Traditional Owners identified impacts from carp as a serious risk to their culturally important wetlands and believe that it is their cultural responsibility to manage the risks. A carp removal project was trialled by the North Central CMA in partnership with Barapa Barapa Traditional Owners which aimed to remove the large adult carp manually from the two highest priority wetlands within Gunbower Forest prior to the delivery of environmental water.*

Victoria is collaborating with recreational water users when planning environmental watering. This has included:

Planning for annual watering priorities

- ✓ *Wimmera CMA engaged with community recreational groups and agencies at an environmental water forum seeking input and providing opportunities for comment on past actions and planning for the future water year. Feedback influenced timing of planned summer flow deliveries in 2018 resulting in shared benefits for both environment and recreational users of waterways.*

Planning for specific watering events

- ✓ *Goulburn Broken CMA delivered a base flow of 400ML/d downstream of Lake Eildon in the mid Goulburn River for the first time in 2017-18. Local fishers and community members provided advice on the flow required to support native fish in the area, which informed the design and delivery of the higher base flow. This was designed to maintain existing beds of in channel macrophytes and maintain habitat for invertebrates and native fish, and also to support the maintenance of the local trout population.*

Environmental Watering

Victoria has met its Basin Plan environmental water obligations and continues to work effectively with communities and water managers throughout the state and across jurisdictions to plan for and deliver environmental water. All environmental water delivery during 2017-18 was consistent with the Victorian water entitlement framework. Victoria's water entitlement framework provides the legislative arrangements that enable environmental water holders and resource managers to: deliver environmental water in-stream and shepherd it through the waterways; and re-use environmental water returned to the waterway at multiple locations.

- ✓ Victoria released the Basin Plan Environment Report Card (<https://www.water.vic.gov.au/reportcard>). The report card provides a summary of progress made in Victoria towards achieving the Basin Plan Environmental outcomes. It describes progress towards watering goals listed in Victoria's long-term watering plans for fish, waterbirds and vegetation since 2012. It highlights the significant progress that has been made.
- ✓ The VEWH submitted draft annual environmental watering priorities for consideration in the Basin annual watering priorities following a consultative process consistent with the Basin Plan environmental management framework. In addition, Victoria presented proposed watering actions for Victorian Living Murray Icon Sites.
- ✓ In 2017-18 Victoria's water entitlement framework enabled environmental water holders to deliver 650 GL of water in Victoria that was re-used downstream for additional environmental benefit including shepherding to South Australia.

Effective Coordination across jurisdictions

- ✓ An example of cross jurisdictional co-ordination was the recent delivery of over 180 GL of water for the environment in spring 2017. The event was coordinated with the delivery of other water being released to meet consumptive demands. The delivery of a combination of water sources enabled more wide-spread watering of wetlands in the Barmah-Milewah Forest, at the right time of the year, in spring/early summer, to improve the growth of wetland plants such as the threatened Moira grass and trigger water bird breeding that could then be supported with targeted deliveries of environmental water over summer.

Additional information on Environmental Water use will be presented in the Matter 9 report due in October 2018.

Water Quality and Salinity Management

Victoria is carefully managing salinity and water quality in our waterways across the Basin to protect the environment and community.

We are meeting our Basin Plan water quality and salinity management obligations. Risk management is an integral part of managing water for the environment and Victoria takes a proactive and collaborative approach.

- ✓ Catchment Management Authorities across Victoria, in collaboration with communities and agencies, have developed over 48 Long term Environmental Water management plans and four Icon Site Operating Plans to guide environmental watering activities at rivers, wetlands, and floodplains across the state. These plans outline the values, objectives and watering requirements of the sites and operating strategies. They also summarise key risks that may impact on the ability to achieve objectives including risks to water quality.
- ✓ Monitoring at sites such as Lock 6 and Morgan shows that salinity levels in the Murray continue to meet Basin Plan targets.
- ✓ Victoria's long term efforts to manage salinity through improved farming practices and water management and operation of salt interception schemes have led to a 30 year trend of decreasing salinity levels in the Murray River.
- ✓ Victoria submitted its Biennial Basin Salinity Management 2030 Implementation Report in February 2018 (for 2015-17) and was assessed by the Independent Audit Group for Salinity as compliant with salinity obligations. Victoria has an excellent track record.

- ✓ *An interstate comparison of salinity management in the Mallee was completed with input from SA and NSW Governments. Victoria continues to work with interstate jurisdictions on management of salinity through the Basin Salinity Management Advisory Panel.*

Water Trading

Victoria consistently meets Basin Plan water trade obligations, and is continuing to work constructively with the MDBA on the remaining area of uncertainty. Victoria has continued to develop our water market to make trading easier and help irrigators to manage their water better while staying informed.

- ✓ *Victoria exceeded the COAG services standards for trade processing*
- ✓ *Separate analysis of trades to which the Commonwealth was a party in 2017-18 indicates that Victoria exceeded service standards.*
- ✓ *Victoria continued to play a lead role in work between states and with the MDBA to investigate how improvements to river operations and trade adjustments can help to improve the management of trade in line with the objectives of the Basin Plan trading rules by enhancing trade opportunities and minimising potential third party and environmental impacts.*
- ✓ *In close collaboration with MDBA staff, Victoria also delivered new functionality through the Water Register to allow trades subject to the Barmah Choke trade limit to be automatically approved through online applications. This has reduced transaction costs and improved access to trade opportunities. The new functionality has been built to support sharing of this technology with other states once their systems are capable of supporting it.*
- ✓ *The VEWH's Trade Strategy describes expected water availability and potential commercial and administrative trade opportunities for the coming year. The 2017-18 Trade Strategy was published on the VEWH website in June 2017. The VEWH commercially traded 15,000 ML of Murray allocation in March 2018 in accordance with its trading business rules and the 2017-18 Trade Strategy.*

Sustainable Diversion Limits

Victoria is committed to meeting our water recovery target of 1,075 GL. Victoria has already delivered or contracted to deliver more than 800 GL of this target. Victoria is actively seeking opportunities to ensure our water recovery target is met. Water recovery projects progressed in the 2017-18 includes the Goulburn-Murray Water Connections project.

- ✓ *The \$2 Billion Goulburn-Murray Water Connections project is a Commonwealth and state funded project that will deliver modernised rural water irrigation infrastructure that benefits irrigators, community and the environment. This project is the most significant investment in modernising irrigation infrastructure in Australia. The project will recover 429 GL of water savings and provide a significant economic boost for the Goulburn-Murray Irrigation District. As at 30 June 2018, the project is 75% complete, has installed 4,865 outlets, decommissioned 641 km of channels, and updated 2,811 landowners' irrigation outlets. The project continues to meet its water savings targets in a way that improves supply to irrigators and supports productive agriculture, jobs and communities in the region.*

- ✓ *Victoria is a proponent or co-proponent of 22 of the 36 notified supply measures agreed by the Ministerial Council in June 2017. Victoria continues to work with the Commonwealth towards a funding agreement for the environmental works projects, to ensure they are implemented as soon as possible.*
- ✓ *Victoria has been actively seeking projects to contribute to the 5%. The Victorian Government is working with water corporations and Catchment Management Authorities in Victoria's Murray Darling Basin seeking ideas for new water savings projects. Victoria is developing a range of projects to deliver up to 9 GL to contribute towards the 62GL requirement.*
- ✓ *The Victorian government is working with southern basin jurisdictions to develop socio-economic criteria beyond participation to inform additional water recovery as part of the Basin Plan efficiency measures. Discussions with jurisdictions and initial stages of this work commenced during the 2017-2018 year, with detailed development of socio-economic criteria and consultation with the broader community to progress into the 2018-2019 year.*

SDL Adjustment and Constraints Management

In 2017/18, an amendment was passed by the Commonwealth Parliament to reduce the 2750 GL target by 605 GL, using the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) in the Basin Plan, by allowing projects that deliver similar or better environmental outcomes with less water. This was subsequent to a February 2018 disallowance motion in Commonwealth Parliament which limited the progress possible during 2017-18.

Victoria has worked collaboratively with the MDBA and other Basin states in progressing the implementation of the SDLAM projects, including:

- ✓ *Victoria is an active member on the multijurisdictional Constraints Measures Working Group developing an integrated Constraints Measures Workplan, as requested by Ministerial Council.*
- ✓ *Preliminary discussions commenced with NSW in late 2017-18 regarding development of a coordinated workplan and seed funding application for the Hume to Yarrawonga constraints measure.*
- ✓ *Victoria supported community involvement in MDBA SDL Adjustment Information Provision in September 2017 and the formal submission process in October.*

Water Resource Plans

Victoria made significant progress in the development of our two Water Resource Plans for the five water resource plan areas. This progress included delivering on our commitment to develop these plans in partnership with water corporations and catchment management authorities, and in consultation with environmental managers, Traditional Owners, industry bodies, local government and Basin communities. Victoria remains committed and on track to deliver our two Water Resource Plans within the agreed timelines so that accreditation can be completed by 30 June 2019.

- ✓ *Victoria submitted its Wimmera-Mallee Water Resource Plan for accreditation to the MDBA on 29 June 2018. The Plan was developed to provide a response to Basin Plan requirements for the Wimmera-Mallee (surface water) water resource plan area and the Wimmera-Mallee (groundwater) water resource plan area. The Plan is awaiting formal review from the MDBA. The Plan was submitted following extensive consultation with the MDBA regarding accredited text and supplementary material requirements to support a recommendation for accreditation.*
- ✓ *Work on the Northern Victoria Water Resource Plan, which covers the remaining three areas has been progressed in 2017-18. Victoria is on track to deliver within the agreed timeframe.*

Participation in Basin Plan Governance

Victoria meets its Basin Plan obligations to participate in governance forums and associated working groups. This includes active support for or participation in: Ministerial Council; Basin Plan Officials Committee; Basin Plan Implementation Committee and various working groups including working groups on Monitoring and Evaluation, Environmental Water, Trade and Constraints Measures; and various advisory panels and groups.