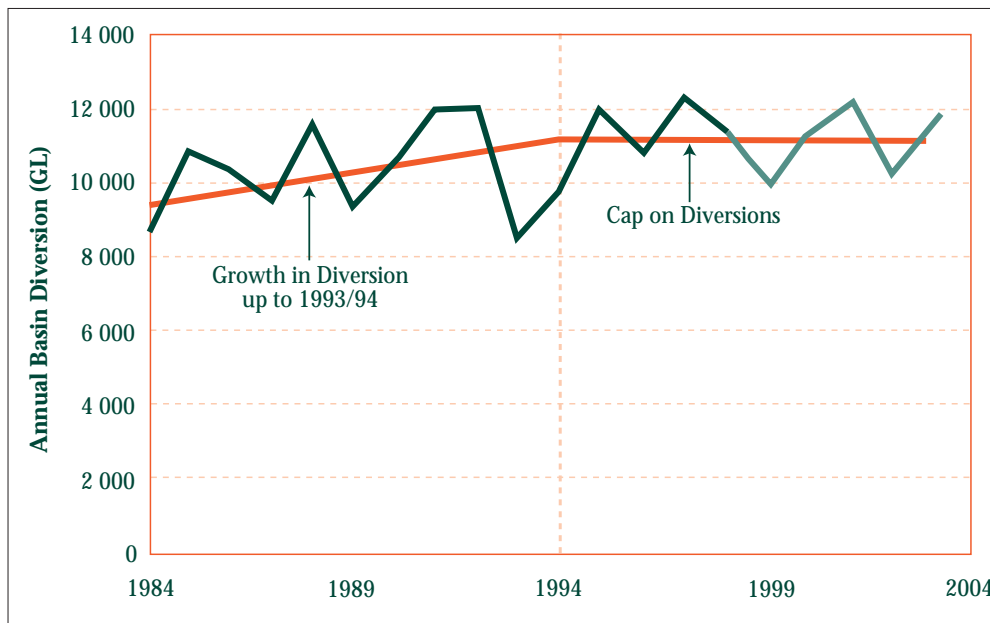
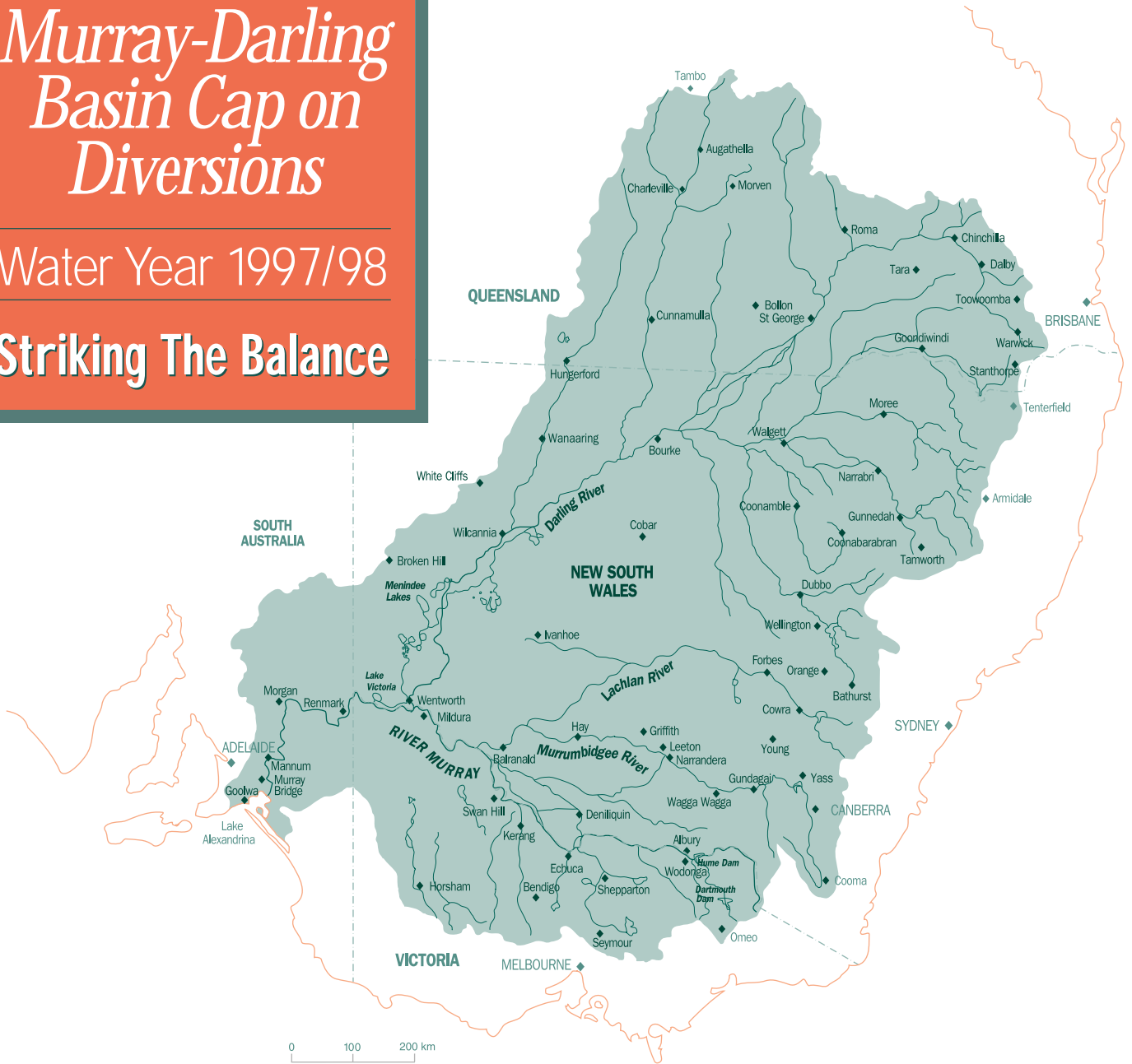


Murray-Darling Basin Cap on Diversions

Water Year 1997/98

Striking The Balance



The Murray-Darling Basin Cap on Diversions

Sustainable agricultural production, manufacturing and human occupation in the Murray-Darling Basin - and the areas outside the Basin which are dependent on its water - depends on a continued supply of good quality water. To get good water we must have healthy rivers. Increasing water salinity, eutrophication and declining wetlands, exacerbated by the continual reduction of the volumes of water retained instream threatens the productive future of the region. This fundamental threat, coupled with the incremental erosion of **security of supply** for existing irrigators, caused the Murray-Darling Basin Ministerial Council to introduce first, a moratorium on the future growth in diversions in 1995, and then a permanent Cap effective from 1 July 1997. This was an essential first step in establishing management systems that would help to achieve healthy rivers and sustainable consumptive uses. The Council determined that **a balance needed to be struck** between the significant economic and social benefits that have been obtained from the development of the Basin's water resources on the one hand, and the environmental uses of water in the rivers on the other.

The Ministerial Council agreed that the Cap be defined as "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."

For reasons of equity, the Cap may be adjusted for certain additional developments that occurred after 1993/94. In terms of each State, it has been agreed that:

- for New South Wales and Victoria, the Cap is the volume of water that would have been diverted under 1993/94 levels of development subject to two small allowances that will be made for Pindari Dam (NSW) and Mokoan Storage (Victoria);
- for South Australia, diversions should be capped at the level that enables the development of its existing high security entitlements. This represents a small increase in diversion over 1993/94 levels of development and is equal to the long term climate adjusted average of 90% of the amount on very high security licences that existed in 1993/94;
- the Cap for Queensland should be determined after an independently audited Water Allocation Management Planning (WAMP) process had been completed. The Cap is expected to be in terms of end-of-valley flows. Diversions will vary in accordance with seasonal streamflow conditions. As water use is mostly in unregulated streams, diversions would be greater in wet years than in dry;
- a Cap will be developed for the ACT in line with the recent decision of the ACT Government to participate in the Murray-Darling Basin Initiative; the details of the ACT Cap are still to be resolved.

The Cap in New South Wales and Victoria is not the volume of water that was used in 1993/94. Rather, the Cap in any year is the volume of water that would have been used with the infrastructure (pumps, dams, channels, areas developed for irrigation, management rules, etc.) that existed in 1993/94, assuming similar climatic and hydrologic conditions to those experienced in the year in question. Thus, the Cap provides scope for greater water use in certain years and lower use in other years, as illustrated in the figure on the cover.

The Cap itself does not attempt to reduce Basin diversions, merely prevent them from increasing. However, the way that water is distributed within each State may change over time depending on an individual State's policy. The Ministerial Council decided that preventing any increase in diversions from the Basin was essential to arrest further decline in both river health and the **security of supply** to existing water users.

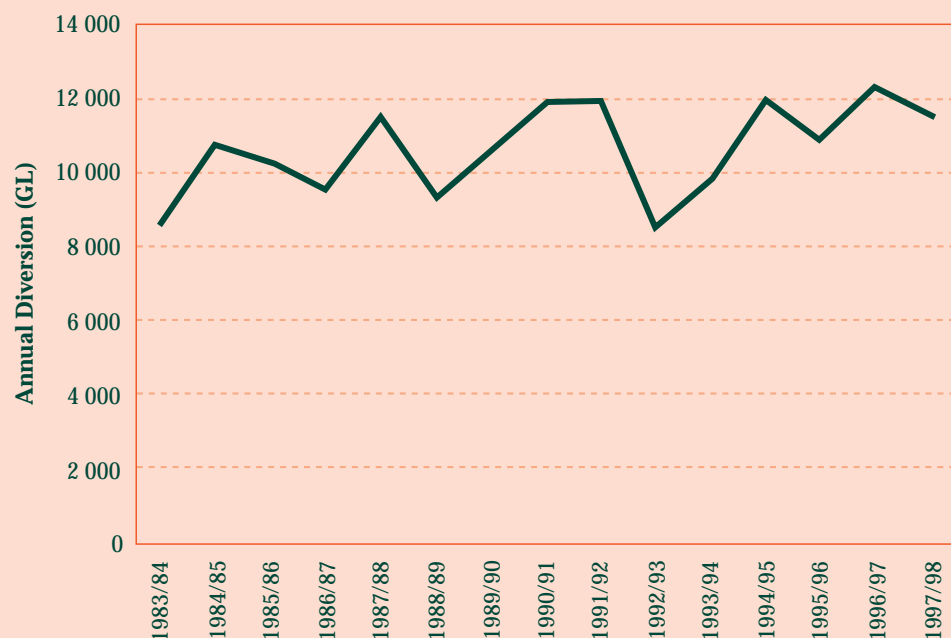


FIGURE 1.
Murray-Darling
Basin Total
Diversions -
1983/84 to 1997/98

Foreword

The Cap on Diversions

In 1997 in response to continuing growth of water diversions and declining river health, the Murray-Darling Basin Ministerial Council implemented a cap on water diversions in the Murray-Darling Basin. The introduction of the Cap is the single most significant water resources initiative since the establishment of the Ministerial Council in 1985.

The decision to Cap diversions in the Basin was taken as a first step towards **striking a balance** between consumptive and instream uses in the Basin. It was realised that any further increase in the extraction of water from the river system of the Basin would erode the **security of supply** of existing diverters, and cause a continued decline in the health of the river system.

The Independent Audit Group

As part of Cap implementation, the Independent Audit Group (IAG) comprising Dr Wally Cox and Mr Paul Baxter has prepared a report on water use in the Basin in the 1997/98 water year. The IAG's report, along with official responses by each of New South Wales, Victoria, Queensland and South Australia, has been considered by the Ministerial Council and published by the Commission.

The IAG 1997/98 audit of the Cap identified several areas where implementation can be improved. However there is good cause for satisfaction in the progress we have made together in the implementation of this most significant water management initiative.

This Document

This document provides an overview of Cap implementation and compliance in the Murray-Darling Basin in the 1997/98 water year. It describes the process of assessing compliance with the Cap of diversions

throughout the Basin, and discusses the IAG report on 1997/98 Cap implementation and the official responses of each of the Basin states. It is of a summary nature and puts the 1997/98 water year in the overall Cap management context.

The Ministerial Council has asked the Office of the Murray-Darling Basin Commission to prepare this document on its behalf including overview comments on the Cap performance of each State in the 1997/98 water year.

This year has seen further development of credible, explainable and repeatable methodologies for Cap compliance that can be expected to lead to an increased acceptance and understanding of the Cap throughout the Basin.

I am encouraged by the ongoing commitment of each of the Governments to the implementation of the Cap and commend the report on the 1997/98 water year for your consideration.



A handwritten signature in black ink, appearing to read 'Mark Vaile'.

The Hon Mark Vaile
Chairman
Murray-Darling Basin Ministerial Council

Purpose of this Document

This document is of a summary nature and puts the implementation of the Cap in the 1997/98 water year in the overall Cap management context.

The recommendations of the Independent Audit Group as presented to the Ministerial Council are included in this document in full. The key aspects of the official state responses to the IAG audit are also included.

Full details of the implementation of the Cap in 1997/98 can be obtained from the Murray-Darling Basin Commission (see the back cover of this document for further details).

The Cap on Diversions in the Murray-Darling Basin

The decision by the Murray-Darling Basin Ministerial Council to Cap diversions from the river system of the Murray-Darling Basin is the single most significant water resources initiative in the Basin since the establishment of the Ministerial Council in 1985.

- ***Background of Water Use in the Basin***

The last 100 years has seen large increases in the extraction of water from the river system of the Murray-Darling Basin. Diversions grew from the 1870s but the rate of growth increased sharply in the 1950s and 1960s. For example, water extractions in the Basin more than tripled in the 50 years to 1994. This development of the Basin's water resources received active government and broad community support throughout most of this period.

However, by the early 1990s it had become clear that the rivers of the Murray-Darling Basin were under stress. The

level of salinity in the Lower Murray was causing concern, the numbers of native fish were in severe decline, wetlands and red gum forests were suffering from a reduction in the frequency of flooding and in 1991 a toxic blue-green algae bloom extended for 1000 km along the Darling River. The level of diversions in the Basin's river systems and the changed flow regimes they had produced came under increased scrutiny at this time. A need to **strike a balance** between consumptive and instream uses of the water was identified and there was a realisation that there was a finite amount of water in the Basin. Also, it was clear that any further increase in extraction would effect the **security of supply** to other users.

A coordinated and credible response to the deterioration in the health of the Basin's rivers was possible due to the long standing interstate cooperation on the management of the water resources of the Basin.

- ***Interstate Cooperation on the Natural Resources of the Basin***

The natural system of the Murray-Darling Basin extends across parts of 4 Australian states and all of the Australian Capital Territory. Along with the Commonwealth, a total of six Australian Governments have an interest in the Basin. Since 1985, the organisation that has facilitated the interstate cooperation on the management of the Basin's natural resources has been the Murray-Darling Basin Commission. The present day Commission can trace its roots back to the 1902 water conservation conference held in Corowa, NSW.

Today's Murray-Darling Basin Commission is responsible to each of the states of the Basin. The highest forum for interstate cooperation on the management of the natural resources of the Basin is the Murray-Darling Basin Ministerial Council (the "Ministerial Council"). The Ministerial Council consists of the ministers responsible for land, water and environmental resources in each of the Commonwealth, New South Wales, South Australia, Victoria and Queensland Governments and the Australian Capital Territory Government which has participated in the Council via a memorandum of understanding. Being a political forum, the Ministerial Council has the power to make decisions for the Basin as a whole. Resolutions of the Council require a unanimous vote. This means that decisions taken by the Council represent a consensus of Government opinion and policy across the Basin.

- ***Significance of the Decision to Cap Diversions***

Against a backdrop of over 100 years of active development of the water resources of the Basin, the Ministerial Council decision to cap diversions from the Murray-Darling Basin river system is the single most significant water resources initiative in the Basin since the establishment of the Ministerial Council in 1985.

It is now recognised as a landmark decision in natural resource management.

The decision to Cap diversions in the Basin was taken as a first step towards **striking a balance** between consumptive and instream uses in the Basin and to help ensure the **security of supply** of existing diverters.

Water management in the Murray-Darling Basin potentially affects the well being of the Basin's 2 million inhabitants and a further 1 million people outside the Basin that are heavily dependant on its water. The heavy dependence of the Basin's economy (and in turn national and State economies) on the availability of water makes any major water management initiative a public policy issue.

Thus, the Cap on diversions is a major public policy issue affecting the lives of up to 3 million Australians and the health of our most important natural resource system, the Murray-Darling Basin.

The Commitment of the Basin States to the Cap

A demonstrated commitment to the Cap on diversions exists in the Governments of each of the States of the Murray-Darling Basin and of the Commonwealth.

From its inception, the Cap on diversions has had the support of the governments of each of the Basin states and of the Commonwealth. As Ministerial Council decisions require a unanimous vote, Basin-wide support for the Cap has been present from the very start.

Now, after three years of Cap implementation, there is demonstrated commitment to the Cap in all jurisdictions from the Ministerial level of all Governments.

Various policy responses have been required since the decision to cap diversions. Leadership has been shown by each of the governments in managing water use in compliance with Cap levels. Policy and management decisions will continue to be made to ensure water use throughout the Basin remains within Cap levels.

The commitment of the Basin governments to the Cap was re-affirmed by the November 1998 meeting of the Ministerial Council.

Cap Implementation Issues in 1997/98

Issues arising from the implementation of the Cap will be an ongoing feature of water management in the Basin. An opportunity exists for each issue to be dealt with in a positive way that enhances the sustainability of water use in the Basin.

Water management issues will arise from Cap implementation on an ongoing basis. The 1997/98 water year was no exception in this regard. These issues are discussed in detail in later sections of this report.

In March 1998 a methodology for determining Cap compliance on a valley-by-valley basis was included as 'Schedule F' in the Murray-Darling Basin Agreement on a one-year trial basis. The review of Schedule F in 1999 will see further enhancement of credible, explainable and repeatable methodologies for determining Cap compliance. This can be expected to lead to an increased acceptance and understanding of the Cap throughout the Basin.

An opportunity exists with each issue arising from the implementation of the Cap for it to be dealt with in a positive way that enhances the sustainability of water use in the Basin. While some teething problems are being experienced in these early years of Cap implementation, the resolution of these very problems is leading to the development of suitably comprehensive and flexible arrangements worthy of the major public policy initiative that is the Cap.

As part of the Cap process, the Independent Audit Group (IAG) has prepared a report on water use in the Basin in 1997/98. This is the second water year upon which the IAG has reported. The Executive Summary of the IAG Report is reproduced in this present report in full (direct quotes from the IAG report are hatched in grey).

Independent Audit Group Report - Review of Cap Implementation 1997/98 - Executive Summary

1997/98 is the first formal year of the implementation of the Cap. To assist in operationalising arrangements, Council has agreed to Schedule F to operate on a trial basis until March 1999. The IAG has adopted Schedule F and the intent behind it to guide the audit for the 1997/98 year.

Each Government has dedicated resources to implement the Cap within their jurisdictions. Generally States have under-estimated the resources necessary given the complexity and breadth of issues associated with implementation. The IAG believes that each Government should review the resources being provided to this activity and increase resources in those areas where the timetable for implementation has not been met.

The IAG has been exposed to a range of issues that have been brought to the surface as a result of the decision to Cap water use. The discussion and debate on these issues is both necessary and healthy to

ensure a balance is struck between consumptive and instream water use.

The conclusions and recommendations reached by the Audit Group for the 1997/98 year by State are [included herein in the section under each State].

The IAG has suggested modifications to the implementation of Schedule F to provide a higher level of confidence in the way Cap compliance is assessed and reviewed. The main change is to supplement the reliance on the computer models with other measures to assist in determining whether or not there has been growth in diversion above the 1993/94 level of development. This may require the creation of the position of an independent regulator or supervisor who would have responsibility for consideration of all the evidence on water diversions by valley and adjudicate on whether direct management intervention was required to restrain future diversions.

The IAG are of the view that if Schedule F with these modifications were to be applied to the 1997/98 audit then it would have triggered the reporting provisions of Schedule F for the following New South Wales valleys:

- Murrumbidgee;
- Lachlan;
- Barwon-Darling;
- Border Rivers; and
- possibly in the Gwydir and Namoi.

It is therefore appropriate to ensure a robust and transparent process that reports be sought for these valleys from the appropriate contracting Government on the management response to ensure Cap compliance in future years. The report should be provided to both the Commission and Council in accordance with the Schedule F provisions.

It is the strongly held view of the IAG that unless an open and transparent process is continued then there will be a lack of confidence in Cap implementation.

Total Diversion in 1997/98 (Data from the IAG Report)

1997/98 diversions in the Murray-Darling Basin as reported in the IAG report.

System	Total Diversion (GL)	Percentage of Basin Diversion %
New South Wales		
Border Rivers	190*	
Gwydir	411**	
Namoi/Peel	208*	
Macquarie	390	
Barwon-Darling	200	
Lachlan	419	
Murrumbidgee	2479	
Lower Darling	64	
Murray	1833	
Total NSW	6194	54.5%
Victoria		
Goulburn/Loddon/Broken	1904	
Campaspe	98	
Wimmera/Mallee	155	
Murray/Kiewa/Ovens	1701	
Total Victoria	3858	33.9%
South Australia		
Country Towns	35	
Metro-Adelaide	154	
Other	478	
Total South Australia	667	5.9%
Queensland	611#	5.4%
Australian Capital Territory	44	0.4%
Total Basin	11374	100.0%

* total diversion to 31 August 1998 (water year for Border Rivers and Namoi ends on 30 September 1998)

** total diversion to 30 June 1998 (water year ends on 30 September 1998)

total diversion for Queensland is a provisional figure only (water year ends on 30 September 1998)

Each of the states has provided an official response to the recommendations made by the IAG about water use in their particular jurisdiction. The key points of the official responses of the States are reproduced in this State-by-State assessment of Cap implementation in 1997/98. An MDBC overview of the performance of each State is also provided.

- **State Responses**

Each of the states has provided an official response to the recommendations made by the IAG about water use in their particular jurisdiction. New South Wales, Victoria, Queensland and South Australia have all added to the review process with details of their intentions to address the recommendations made by the IAG.

The key points of the official responses of each of the States are provided in this State-by-State assessment. The complete responses of each of the States have been published with the IAG review of Cap implementation in 1997/98 (see the back cover for information on obtaining this document).

- **Murray-Darling Basin Commission Overview of States' Performance in 1997/98**

A Murray-Darling Basin Commission overview of each State's performance is also provided in this State-by-State assessment.

In summary, water use in 1997/98 was within the Cap in South Australia and Victoria. In New South Wales, where the IAG identified several valleys as exceeding the Cap, the NSW Government has committed itself to ensuring the long-term Cap compliance of these valleys. In Queensland, the Government is committed to providing an opportunity for the Commission and the Ministerial Council to review the outcome of the WAMP (Water Allocation and Management Plan) and WMP (Water Management Plan) processes before it commits to a balance between extractive and instream uses.

The Cap is the first step in **striking a balance** between instream and consumptive uses in the Murray-Darling Basin. In doing so it protects the **security of supply** of existing users while arresting further deterioration of the health of the Basin's river system. The Commission is confident the Murray-Darling Basin Cap on diversions can be maintained through careful annual monitoring of diversions throughout the Basin.



IAG Report - Executive Summary

Review of Cap Implementation 1997/98 - South Australia

South Australia

- Diversion in 1997/98 was within the Cap.
- South Australia has a reliable system of measurement for urban and irrigation use (rehabilitated areas).
- There are proposals to further improve reliability of measurement in the lower Murray and in non-rehabilitated areas.
- The South Australian country towns Cap should be amended following the completion of modelling.
- There should be no trading of country towns diversions until a new Cap has been established.
- The country towns, irrigation and lower Murray allocations should be treated as a single Cap for compliance purposes.
- A management framework should be developed to ensure long term Cap compliance for pumped irrigation.

• *South Australia – Summary of State Response to IAG Report*

South Australia has continued to comply with the Cap in 1997/98, and is working towards improving the already high standard of monitoring and reporting procedures. Modelling to better define the requirement for country towns will be completed by March 1999 and policy responses are being developed to ensure long-term compliance with the Cap for irrigation diversions.

Murray-Darling Basin Commission Overview of Performance in 1997/98

South Australia

- Water use in South Australia was within Cap in 1997/98 and the response of this State to the recommendations of the IAG addresses the major issues raised.
- The South Australian country towns Cap is being re-examined using more sophisticated modelling, after which the Cap for this use will be reviewed.



IAG Report - Executive Summary

Review of Cap Implementation 1997/98 - Victoria

Victoria

- Diversions from the Murray and Goulburn systems in 1997/98 were below climate adjusted Cap targets.
- Substantial progress has been made in:
 - developing climate adjusted models;
 - community consultation on bulk water entitlements; and
 - implementing management frameworks to achieve Cap compliance.
- Victoria has a reliable monitoring and reporting system in place for regulated valleys.
- Bulk water entitlements need to be finalised for the Murray system, the Ovens River, Broken, Campaspe and Loddon Basins and the Wimmera-Mallee system.

• *Victoria – Summary of State Response to IAG Report*

Victorian diversions were within cap targets in 1997/98 and Victoria remains committed to implementing the Cap. Work will continue on improvements on Victorian models to enable Cap targets to be determined with improved accuracy.

Victoria has achieved a high degree of community ownership of the framework adopted to achieve cap compliance through emphasising the benefits that a cap on diversions provides, not only for the environment, but also in protecting the **security of supply** to water users.

Victoria notes that to retain support for the Cap during periods of low allocation, it is important that irrigation communities throughout the Basin are seen to be keeping within it.

Victoria reiterates its commitment to ensuring incorporation of a robust and transparent reporting process into the Agreement to ensure cap compliance in future years. Victoria has a reliable monitoring and reporting system in place for the regulated valleys and will continue to provide accurate and timely water audit information.

Murray-Darling Basin Commission Overview of Performance in 1997/98

Victoria

- Water use in Victoria was within Cap in 1997/98. The Victorian response to the IAG addresses the major issues and provides a platform for further enhancement of Cap management in that State.
- Victoria has developed a significant ownership of the Cap process through stressing the benefits of the Cap in ensuring **security of supply** to existing users.



IAG Report - Executive Summary

Review of Cap Implementation 1997/98 – New South Wales

New South Wales

- The Murray was resource constrained and within the Cap in 1997/98.
- The Murrumbidgee was at the upper end of the confidence limit of the diversion model. The other indicators suggest growth in diversions and the need for an appropriate management response which is not evident from the material provided to the IAG.
- For the Lachlan in the last two years, diversions have exceeded the Cap. An urgent management response is required to bring diversions within the Cap limits.
- For the Barwon-Darling and the Border Rivers, on the evidence available, it would be difficult to come to a conclusion that diversion was not occurring at levels in excess of 1993/94 diversions.
- For the Namoi and Gwydir Valleys, care will be required in future management in the light of crop plantings to ensure Cap compliance. The Peel is within the Cap.
- Macquarie is Cap compliant in 1997/98.
- While the provision of environmental flow rules is in accord with the principles underlying the Cap and is supported, evidence on the effectiveness of the current rules in achieving the Cap on a valley-by-valley basis has yet to be delivered. A higher priority must be given to monitoring performance in this area if the Cap and environmental flow objectives are to be achieved.
- Again it is clear that the level of resources available to manage this complex issue in NSW are not adequate to bring these matters to a satisfactory and early conclusion, and to achieve a time frame that will meet community expectations.

• *New South Wales – Summary of State Response to IAG Report*

For the past two years NSW has been determining valley usage relative to the Cap using a combination of climate-diversion relationships and numerical models. Upon implementation of the environmental flow rules for 1998/99 it has become apparent that Cap management on an annual basis is inappropriate. NSW's aim is to keep long term average diversions under the Cap with monitoring to be approached from a long term modelling perspective. This allows for the effects of climatic variation and multi-year storage effects to be considered.

The environmental flow rules for 1998/99 have not been specifically designed as Cap management measures. However, computer modelling assessments indicate (with the exception of the Barwon-Darling) that, with 97/98 levels of development, a by-product of the adopted environmental flow rules is a long-term average diversion which is below the long term average diversion occurring for 1993/94 levels of development (i.e. the Cap).

NSW recognises the points made about the need for management responses to meet Cap requirements. Except for the Barwon-Darling, and for the Border Rivers where a Cap is yet to be determined, model runs with 97/98 levels of development indicate that under the present management arrangements, which include the adopted environmental flow rules, the average long-term diversion is below the average long-term Cap diversion in each valley.

NSW also recognises that further management responses may be required to meet Cap requirements in the face of growth in demand. The responses will include further development of flow rules to meet explicit environmental objectives. These rules may result in reduced long term diversions and hence contribute to Cap management. Other management interventions aimed explicitly at Cap management may also be required. These issues will be examined by the NSW Government during 1998/99.

Murray-Darling Basin Commission Overview of Performance in 1997/98

New South Wales

- The IAG identified four NSW valleys where they consider the Cap to have been exceeded in 1997/98 (ie, Murrumbidgee, Lachlan, Barwon-Darling and the Border Rivers). Of these valleys, the situation in regard to Cap exceedance is the most urgent in the Lachlan Valley where diversions have significantly exceeded Cap targets for the second year in a row.
- The environmental flow policies introduced throughout the NSW component of the Basin in 1998 are expected to rectify the problems with Cap compliance in all but one of these valleys. The exception is the Barwon-Darling where further work is needed.
- The NSW Government is committed to take management action as required to ensure that long-term diversions are below 1993/94 levels.
- The reservations of NSW in regard to the annual assessment of Cap compliance have been noted by the Commission. The annual assessment of water use against the Cap is, and will remain, a key part of the Cap process. The Commission believes the annual assessment of Cap compliance in a valley where environmental flows have been introduced is possible with the development of further refinements in computer models used to determine the Cap.
- NSW water use in 1998/99 will be carefully reviewed to ensure the environmental flow rules have been sufficient to ensure diversions have remained below Cap as per the aspirations of the NSW Government.



IAG Report - Executive Summary

Review of Cap Implementation 1997/98 - Queensland

Queensland

- Diversions of 611 GL were at a record following a high flow year and a substantial growth in on-farm storage.
- The WAMP for the Condamine-Balonne is now not expected to be completed until June 1999 with a draft WAMP for the Border Rivers unlikely to be available until December 1999.
- The draft WMPs for the Warrego/Paroo/Nebine and Moonie are unlikely to be completed until June 1999.
- Management rules and a statutory basis for implementing the WAMPs are still required and it is expected that legislation may be introduced into the Queensland Parliament in March 1999.
- It is recommended that this legislation include the management of floodplain harvesting.
- The IAG also recommends that diversions by individual licence holders be capped at 1997/98 levels until the WAMPs and WMPs are completed.

• **Queensland – Summary of State Response to IAG Report**

Development of a Cap on water diversions in Queensland's section of the Murray-Darling Basin is proceeding based on comprehensive water allocation planning processes accepted by the Ministerial Council's Independent Audit Group.

The issue of managing the total volumes of water diversions in Queensland's section of the Murray Darling Basin is currently being worked through in consultation with the community within the WAMP and WMP processes.

The comprehensive water allocation planning processes are progressively providing detailed information on the estimated impacts of the current levels of development as

well as the predicted impacts of various future development scenarios and/or environmental flow management strategies. Information developed as part of these planning processes is assisting landholders, water users and other people within catchments to better understand the impacts of existing and future water use practices on downstream flow regimes, environmental outcomes and other people's access to water.

There is strong support from the community to continue its involvement with the Queensland Government in developing effective and practical management approaches to address water allocation and/or management issues within each catchment. Introducing a regulatory approach to managing total extractions is not considered to be appropriate at this advanced stage of the highly consultative WAMP and WMP planning exercises that are presently underway.

In view of the unregulated and highly variable nature of Queensland's flow regimes, the end-of-valley flow objective approach is considered by Queensland to be the only practical way in which its river systems can be managed, both from the perspective of its water users and the system's environmental needs.

Work is underway to establish a statutory basis for WAMPs, and legislative amendments are expected to be introduced into the Queensland Parliament within the first half of 1999. Queensland continues to operate under its moratorium arrangements (presented to the Ministerial Council meeting on June 1996) relating to the issue of further water licences within the Murray-Darling Basin whilst the water allocation planning processes are underway.

With respect to floodplain management, these proposed legislative amendments will not include the management of floodplain water harvesting, as this would pre-empt a number of consultative management planning exercises that are presently underway to examine and address floodplain management issues. This includes work currently underway in the Upper Condamine and Lower Balonne areas.

The information produced through the WAMP and WMP processes will highlight the importance of floodplain management issues with the community. This will establish a sound basis for Government to formulate appropriate policy responses and necessary legislative actions over the next couple of years to address the issue.

The IAG has noted the WAMP for the Condamine-Balonne is now not expected to be completed until June 1999 with a

draft WAMP for the Border Rivers unlikely to be available until December 1999.

Also the IAG has noted the draft WMPs for the Warrego/Paroo/Nebine and Moonie are unlikely to be completed until June 1999.

Queensland will continue to progress its water allocation planning processes as quickly as possible in a way that provides for comprehensive community consultation.

Murray-Darling Basin Commission Overview of Performance in 1997/98

Queensland

- Queensland has continued to adopt interim provisions for Cap compliance while the relevant Water Allocation and Management Plans (WAMPs) and Water Management Plans (WMPs) for the Queensland portion of the Basin are finalised.
- The management of floodplain harvesting, which is a significant component of Queensland's diversions, is expected to form a key component in their approach to Cap management.
- The Commission would like to stress the importance of the IAG recommendation that diversions by individual licence holders be capped at 1997/98 levels until the WAMPs and WMPs are completed.
- The Queensland Government is committed to providing an opportunity for the Commission and the Ministerial Council to review the outcome of the WAMP/WMP process before the Queensland Government commits to a balance between extractive and instream uses in the Basin rivers of that State.

1998/99 and Beyond – The Way Forward

A Cap on diversions will be a permanent feature of water management in the Murray-Darling Basin. The assessment of Cap compliance on an annual basis will be a feature of each water year in the Basin.

As with 1997/98, water use in the 1998/99 water year will also be monitored for Cap compliance. The annual assessment of Cap compliance is expected, over time, to

lead to an increased acceptance and understanding of the Cap throughout the Basin.

Changes in the management rules and development levels in certain parts of the Basin may see the development of more comprehensive forms of assessment of the Cap compliance of individual valleys. Enhancing the scope of an assessment of Cap compliance to include additional information affecting water use in a particular year (as recommended by the IAG) may be one of these developments.

A Cap on diversions in the Murray-Darling Basin will be a permanent feature of water management in the Basin. As with all things of value, vigilance will be required by all to ensure the integrity of the process is maintained.

Over the next two years, the following Cap implementation developments are planned:

1999

- In March 1998 a methodology for determining Cap compliance on a valley-by-valley basis was included as 'Schedule F' in the Murray-Darling Basin Agreement on a one-year trial basis. The review of Schedule F in 1999 will see further enhancement of credible, explainable and repeatable methodologies for determining Cap compliance.

2000

- As part of the December 1996 decision by the Ministerial Council to introduce a Basin-wide Cap on diversions, a major review of the operation of the Cap was scheduled for July 2000. This review is expected to be the central feature of Cap implementation in 2000 and should provide for improved Cap implementation across the Basin.



More Information

More information on the Murray-Darling Basin Cap on diversions is available from the Murray-Darling Basin Commission including their comprehensive web page.

Murray-Darling Basin Commission

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Web Site: <http://www.mdbc.gov.au>

The following reports have been published on the rationale and implementation of the Murray-Darling Basin Cap. All reports are available from the Murray-Darling Basin Commission.

1. Murray-Darling Basin Ministerial Council (1995). **An Audit of Water Use in the Murray-Darling Basin.** Murray-Darling Basin Ministerial Council, Canberra.
2. Independent Audit Group (1996). **Setting the Cap.** Murray-Darling Basin Ministerial Council, Canberra
3. Independent Audit Group (1997). **Review of Cap Implementation 1996/97.** Murray-Darling Basin Ministerial Council, Canberra.
4. Murray-Darling Basin Commission (1998). **Water Audit Monitoring Report 1996/97.** Murray-Darling Basin Commission, Canberra.
5. Independent Audit Group (1998). **Review of Cap Implementation 1997/98 including Responses by the Four State Governments.** Murray-Darling Basin Ministerial Council, Canberra.

