Basin Plan Amendment (SDL Adjustments) Instrument 2017

I, Barnaby Joyce, Deputy Prime Minister and Minister for Agriculture and Water Resources, adopt this amendment to the *Basin Plan 2012* under section 23B of the *Water Act 2007.*

Dated 19 December 2017

Barnaby Joyce
Deputy Prime Minister and Minister for Agriculture and Water Resources

Contents

1 Name

This instrument is the *Basin Plan Amendment (SDL Adjustments) Instrument 2017*.

2 Commencement

(1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	**Column 2**	**Column 3**
Provisions	**Commencement**	**Date/Details**
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

(2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under section 23B of the *Water Act 2007*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1 Amendments to the Basin Plan 2012

[1] Subsection 1.05(1) (after table item dealing with Schedule 6)

Insert:

Schedule 6A	Calculation of SDL adjustment amounts	Provisions for calculating SDL adjustment amounts for Part 2 of Chapter 6.

[2] Subsection 1.07(1)

Insert:

apportioned supply contribution has the meaning given by subsection S6A.02(1) of Schedule 6A.

current efficiency contribution has the meaning given by subsection S6A.02(1) of Schedule 6A.

net effect has the meaning given by subsection S6A.04(2) of Schedule 6A.

reduced supply contribution has the meaning given by subsection S6A.05(3) of Schedule 6A.

SDL adjustment amount, for a particular surface water SDL resource unit and for a particular water accounting period, has the meaning given by section 6.05A.

Note: See section 7.10 of the Basin Plan.

total current efficiency contribution has the meaning given by subsection S6A.02(1) of Schedule 6A.

[3] After section 6.05

Insert:

6.05A SDL adjustment amount

For column 2 of the table in Schedule 2, the ***SDL adjustment amount*** for a surface water SDL resource unit for a water accounting period is the amount, in GL per year, calculated in accordance with Schedule 6A for the water accounting period.

Note: See section 7.10 of the Basin Plan.

[4] Schedule 2, note

Repeal, substitute:

Note 1: See sections 6.02, 6.04, 6.05, 6.05A, Schedule 3, Schedule 6A, the definition of BDL in section 1.07, and Part 3 of Chapter 10.

Note 2: The SDL for a particular surface water SDL resource unit as set out in this Schedule can be expressed in terms of the following formula:

$$SDL = BDL - \begin{pmatrix}\text{local}\\ \text{reduction}\\ \text{amount}\end{pmatrix} - \begin{pmatrix}\text{SDL resource}\\ \text{unit shared}\\ \text{reduction amount}\end{pmatrix} + \begin{pmatrix}\text{SDL adjustment}\\ \text{amount}\end{pmatrix}$$

where, for the surface water SDL resource unit:

BDL is the baseline diversion limit, as defined in section 1.07. For a surface water SDL resource unit, the BDL is the quantity of water calculated in accordance with column 2 of the table in Schedule 3 for the SDL resource unit.

local reduction amount is the local reduction amount for the surface water SDL resource unit as defined in section 1.07. Under that definition, the local reduction amount is:

- if a quantity of water is identified in column 2 of the table in this Schedule as the local reduction amount for the SDL resource unit—that amount; and
- if no quantity is identified—zero.

SDL resource unit shared reduction amount is the SDL resource unit shared reduction amount as defined in section 1.07. The SDL resource unit shared reduction amount for a particular surface water SDL resource unit is calculated in accordance with section 6.05 and Chapter 7.

SDL adjustment amount is the adjustment for the surface water SDL resource unit for the water accounting period, as defined in section 1.07. The SDL adjustment amount is given by section 6.05A, and is calculated in accordance with Schedule 6A.

[5] Amendments of listed provisions—Schedule 2, column 2 of the table, table items

Insert "plus the SDL adjustment amount":

(a) in items 1 to 12, 14 to 23, 25, 27 and 29—after "SDL resource unit shared reduction amount"; and

(b) in items 13 and 24—after "(local reduction amount)"; and

(c) in items 26 and 28—after "BDL".

[6] Amendments of listed provisions—Schedule 2, column 2 of the table, notes to table items

Insert "plus the SDL adjustment amount":

(a) in items 1, 18, 19, 21 and 26 to 29—at the end of the note; and

(b) in items 2 to 17, 20 and 22 to 25—at the end of note 1.

[7] After Schedule 6

Insert:

Schedule 6A—Calculation of SDL adjustment amounts

Note: See Schedule 2, and the definition of SDL adjustment amount in section 6.05A.

Part 1—Preliminary

S6A.01 Simplified outline of this Schedule

This Schedule sets out how to calculate the SDL adjustment amount of each surface water SDL resource unit for each water accounting period. The SDL adjustment amount is used to calculate the long term average sustainable diversion limit of each surface water SDL resource unit. See subsection 6.04(3), column 2 of the table in Schedule 2, and the definition of "SDL adjustment amount" in section 6.05A.

The SDL adjustment amount is expected to vary between water accounting periods, as:

- water access entitlements are progressively acquired in conjunction with, or to take advantage of the water savings achieved by, notified efficiency measures. Such acquisitions will be efficiency entitlements in different surface water SDL resource units, increasing the efficiency contributions in affected units; and
- the overall limitation on the size of adjustment amounts under section 7.19 operates, if applicable, in relation to a particular water accounting period.

Section 7.19 applies if, at a particular time, the net effect of the total supply contribution and the total efficiency contribution (referred to in this Schedule as the "net effect") represents an increase or a decrease of more than 5% of the total surface water SDL for the Basin water resources as it stood at the reference time. The total surface water SDL for the Basin water resources as it stood at the reference time is equal to 10,873 GL per year, and 5% of that amount is equal to 543 GL per year (when rounded down).

On the basis of the supply measures and efficiency measures that were notified to the Authority by 30 June 2017, the net effect will not represent a decrease of more than 5% of this amount. Accordingly, the formula set out in this Schedule provides for a reduction only of the supply contribution for affected units, and not of the efficiency contributions.

As efficiency contributions are expected to vary over time, the net effect is also expected to vary. Section S6A.04 sets out how to assess the magnitude of the net effect.

Net effect greater than 543 GL per year

For water accounting periods for which the net effect exceeds 543 GL per year, SDL adjustment amounts are calculated in accordance with section S6A.05 of this Schedule. For such water accounting periods, the formula additionally reflects the operation of the overall limit on adjustments in section 7.19.

Net effect no greater than 543 GL per year

If, however, for a particular water accounting period, the net effect does not exceed 543 GL per year, the SDL adjustment amount for each surface water SDL resource unit is instead calculated in accordance with section S6A.06 of this Schedule.

In both cases, in accordance with paragraph 7.20(4)(b), the adjustments are expressed in the form of a formula as a function of time, changing at specified times (namely, at the beginning of each water accounting period), that reflects the changes up until 30 June 2024 of the relevant efficiency contributions.

S6A.02 Interpretation

(1) In this Schedule:

apportioned supply contribution, for a particular surface water SDL resource unit, means:

(a) for a surface water SDL resource unit listed in the table to subsection (2)—the amount, in GL per year, indicated in the table; and

(b) otherwise—zero.

Note 1: The apportioned supply contribution for a surface water SDL resource unit is the amount of the total supply contribution, worked out in accordance with sections 7.15 and 7.17, that was apportioned to the surface water SDL resource unit in accordance with section 7.18, disregarding the effect (if any) of section 7.19.

Note 2: The apportioned supply contribution for each surface water SDL resource unit is the same for each water accounting period.

current efficiency contribution, for a particular surface water SDL resource unit and for a particular water accounting period, means the unit's efficiency contribution (within the meaning of subsection 7.16(1)) as at the end of the first day of the water accounting period, disregarding any efficiency entitlement that might be registered on the register maintained under section 7.13 after 30 June 2024.

Note: The current efficiency contribution for a surface water SDL resource unit might vary between water accounting periods, as relevant water access entitlements are acquired.

net effect, for a particular water accounting period, has the meaning given by subsection S6A.04(2).

Note 1: The net effect is the difference between the total supply contribution and the total efficiency contribution for the water accounting period under sections 7.15 to 7.17.

Note 2: The net effect might vary between water accounting periods as the total efficiency contribution changes with time.

total current efficiency contribution, for the water accounting period, is equal to the sum of the current efficiency contributions of all surface water SDL resource units.

(2) For paragraph (a) of the definition of "apportioned supply contribution" in subsection (1), the table is the following:

Note: The item numbers in the table correspond to those in Schedule 2.

	Column 1	**Column 2**
Item	**SDL resource unit (code)**	**Apportioned supply contribution (GL/y)**
13	Lachlan (SS16)	0.0
14	Murrumbidgee (SS15)	162.0
15	New South Wales Murray (SS14)	124.8
16	Lower Darling (SS18)	0.0
17	Victorian Murray (SS2)	72.8
18	Kiewa (SS3)	1.3
19	Ovens (SS4)	3.0
20	Goulburn (SS6)	174.5
21	Broken (SS5)	1.1
22	Campaspe (SS7)	2.6
23	Loddon (SS8)	10.9
24	Wimmera-Mallee (surface water) (SS9)	0.0

Item	Column 1 SDL resource unit (code)	Column 2 Apportioned supply contribution (GL/y)
25	South Australian Murray (SS11)	52.0
26	South Australian Non-Prescribed Areas (SS10)	0.0
27	Eastern Mount Lofty Ranges (SS13)	0.0
28	Marne-Saunders (SS12)	0.0
29	Australian Capital Territory (surface water) (SS1)	0.0

S6A.03 Proposed plan area limits and proposed Basin limit

For subsection 23B(4) of the Act:

(a) the ***proposed plan area limit*** (within the meaning of subsection 23A(5) of the Act) for each surface water SDL resource unit is equal to the sum of:

(i) the long-term average sustainable diversion limit for the surface water SDL resource unit given by Schedule 2 as in force when the Basin Plan first took effect; and

Note: The Basin Plan first took effect on 24 November 2012.

(ii) the SDL adjustment amount for the surface water SDL resource unit; and

(b) the ***proposed Basin limit*** (within the meaning of subsection 23A(5) of the Act) is equal to the sum of:

(i) the proposed plan area limits as referred to in paragraph (a) for all surface water SDL resource units; and

(ii) the SDLs for each groundwater SDL resource unit as at the time the Basin Plan first took effect (see subsection 6.04(4)).

Part 2—Calculation of SDL adjustment amount

S6A.04 Net effect of the total supply contribution and the total efficiency contribution

(1) The calculation of the SDL adjustment for each surface water SDL resource unit in a water accounting period depends on whether the net effect for that water accounting period would represent an increase of more than 5% of the total surface water SDL for the Basin water resources as it stood at the reference time.

Note: The total surface water SDL for the Basin water resources as it stood at the reference time is 10,873 GL per year, and 5% of that amount is 543 GL per year (when rounded down).

(2) For a particular water accounting period, the ***net effect***, in GL per year, is calculated in accordance with the following formula:

$$(\text{net effect}) = 605 - (\text{total current efficiency contribution})$$

where:

total current efficiency contribution has the meaning given by subsection S6A.02(1).

Note: The amount 605 GL per year is the total supply contribution.

S6A.05 Calculation of SDL adjustment amounts—net effect greater than 543 GL per year

(1) This section applies if, for the water accounting period, the net effect is greater than 543 GL per year.

Note: The net effect will be greater than 543 GL per year only if the total current efficiency contribution is less than 62 GL per year.

(2) The ***SDL adjustment amount*** for a particular surface water SDL resource unit for the water accounting period, in GL per year, is calculated in accordance with the following formula:

$$\begin{pmatrix}\text{SDL adjustment}\\ \text{amount}\end{pmatrix} = \begin{pmatrix}\text{reduced supply}\\ \text{contribution}\end{pmatrix} - \begin{pmatrix}\text{current efficiency}\\ \text{contribution}\end{pmatrix}$$

where:

reduced supply contribution, for the surface water SDL resource unit and the water accounting period, means the amount calculated in accordance with subsection (3).

current efficiency contribution, for the surface water SDL resource unit and the water accounting period, has the meaning given by subsection S6A.02(1).

(3) For subsection (2), the surface water SDL resource unit's ***reduced supply contribution*** for the water accounting period is calculated in accordance with the following formula:

$$\begin{pmatrix}\text{reduced supply}\\ \text{contribution}\end{pmatrix} = \begin{pmatrix}\text{apportioned}\\ \text{supply}\\ \text{contribution}\end{pmatrix} \times \left(\frac{\left(\begin{matrix}\text{total current}\\ \text{efficiency contribution}\end{matrix}\right) + 543}{605} \right)$$

where:

apportioned supply contribution, for the surface water SDL resource unit, has the meaning given by subsection S6A.02(1).

total current efficiency contribution has the same meaning as in subsection S6A.02(1).

Note 1: The amount 543 GL per year is equal to 5% of the total surface water SDL for the Basin water resources as it stood at the reference time (that amount being 10,873 GL per year) (when rounded down).

Note 2: The amount 605 GL per year is the total supply contribution.

S6A.06 Calculation of SDL adjustment amounts—net effect less than or equal to 543 GL per year

(1) This section applies if, for the water accounting period, the net effect is less than or equal to 543 GL per year.

(2) The ***SDL adjustment amount*** for a particular surface water SDL resource unit for the water accounting period, in GL per year, is calculated in accordance with the following formula:

$$\begin{pmatrix}\text{SDL adjustment}\\ \text{amount}\end{pmatrix} = \begin{pmatrix}\text{apportioned supply}\\ \text{contribution}\end{pmatrix} - \begin{pmatrix}\text{current efficiency}\\ \text{contribution}\end{pmatrix}$$

where:

apportioned supply contribution, for the surface water SDL resource unit, has the meaning given by subsection S6A.02(1).

current efficiency contribution, for the surface water SDL resource unit and the water accounting period, has the meaning given by subsection S6A.02(1).