



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Water Amendment (Restoring Our Rivers) Bill

Public webinar - 11 October 2023

Chair:

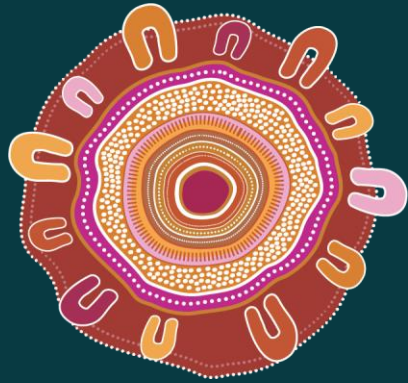
Jacqui Hickey, Branch Head, Water Reform Taskforce

Presenters:

Emma Solomon, Branch Head, Policy Reform

Rachel Connell, Division Head, Water Reform Taskforce






We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.



Agenda

- Background on the legislative process
 - Restoring Our Rivers Bill – Basin Plan implementation
 - Updates on Basin Plan
 - Proposed amendments
 - Q&A #1
 - Restoring Our Rivers Bill – Water Market Reform
 - Q&A #2
- 

The legislative process

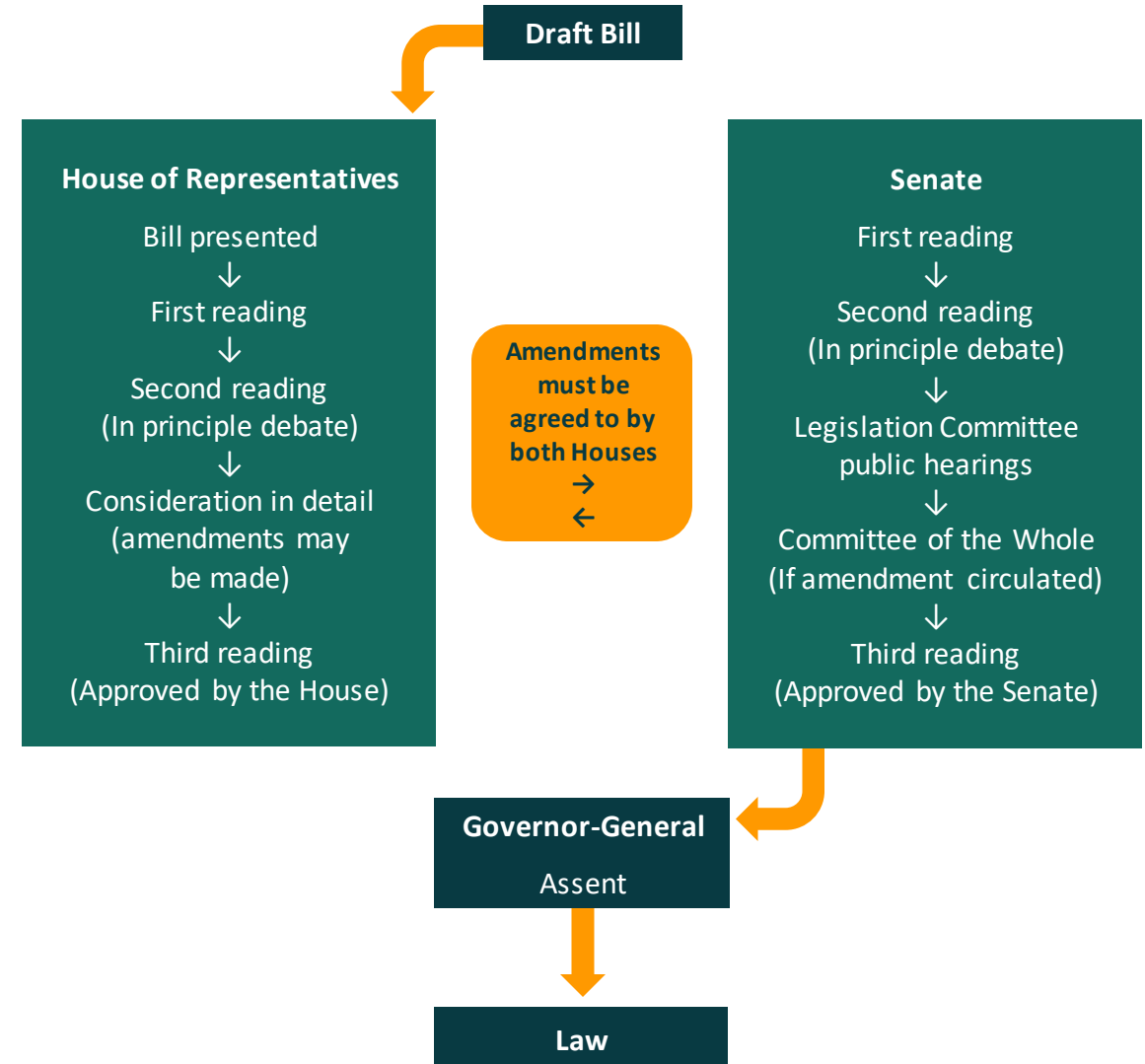
The Water Amendment (Restoring Our Rivers) Bill was introduced into Australian Parliament on 6 September 2023.

The Bill is currently being considered by the House of Representatives.

On 7 September, the Senate referred the Bill to the Environment and Communications Legislation Committee for inquiry and report by 8 November.

Image content source: www.aph.gov.au

Bills (proposed laws) may be introduced first in either the House of Representatives or the Senate but must be considered by each House in turn.



Updates on the Murray–Darling Basin Plan

Consultation

- DCCEEW ran a five-week public consultation process from May – July 2023.
- Stakeholders and the broader community submitted their ideas for delivering the Basin Plan.
- A What We Heard Report was produced, providing a snapshot of the ideas and views we received from the community.
- The Report and public submissions are available to view on the DCCEEW website.



Updates on the Murray–Darling Basin Plan

- Water recovery targets, SDLAM and reconciliation under the Basin Plan currently scheduled to be complete by 2024.
- In July 2023, the MDBA advised that full implementation of the Basin Plan would not be possible by 30 June 2024.
- In August 2023, an agreement was made between the Federal, New South Wales, South Australia, Queensland and Australian Capital Territory governments to deliver the Basin Plan in full, including the additional 450 gigalitres of water for the environment.
- Amendments to both the Basin Plan and Water Act implement the agreement.
- The agreement sets out important changes to ensure the Basin Plan is delivered, including **more time, more options, more funding, more accountability, and more flexibility.**

Restoring Our Rivers Bill – Basin Plan Implementation

The Restoring Our Rivers Bill will:

- Provide **more time to deliver** SDLAM projects.
- Provide **more flexibility** for Basin states to bring forward new supply projects.
- Provide **more options** to deliver the 450 GL of water for the environment.
- **Repeal the 1500 GL purchase cap** to give us more options.
- **Enable funds** from the Water for the Environment Special Account (WESA) to be used more flexibly to deliver the 450 GL program.
- **Move the Water Act review** to 2027, after the Basin Plan review is complete to ensure outcomes are considered and incorporated.

SDLAM delivery and reconciliation

What?

- The current Basin Plan requires SDLAM supply projects to be completed by June 2024.
- MDBA has advised many SDLAM projects will not be delivered by that date.
- Many of these projects could be delivered by December 2026.

Why?

- The delivery of SDLAM projects is a critical component of the Basin Plan.
- The projects deliver environmental outcomes and result in less water needing to be recovered.

How?

- The proposed amendments will enable SDLAM supply projects to be delivered by the end of 2026.

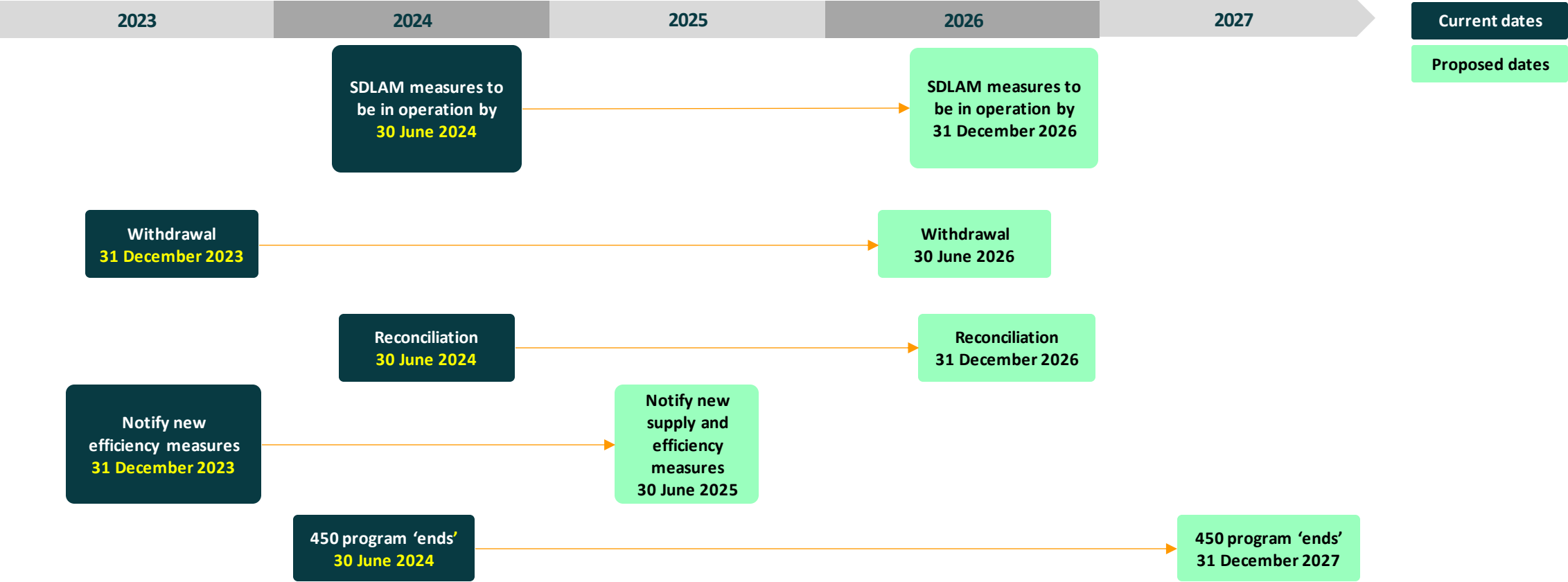
SDLAM delivery and reconciliation

How?

The legislative amendments will:

- Provide an extension for feasible SDLAM projects until the end of 2026.
 - SDLAM projects deliver environmental outcomes and result in less water needing to be recovered.
- Allow new supply projects to be considered until 30 June 2025.
- Move the MDBA reconciliation (of which projects deliver an environment outcome and can count towards the 605 GL to bridge the gap) to 31 December 2026.

Basin Plan Implementation timeline: current and proposed



Expanding the 450 GL program

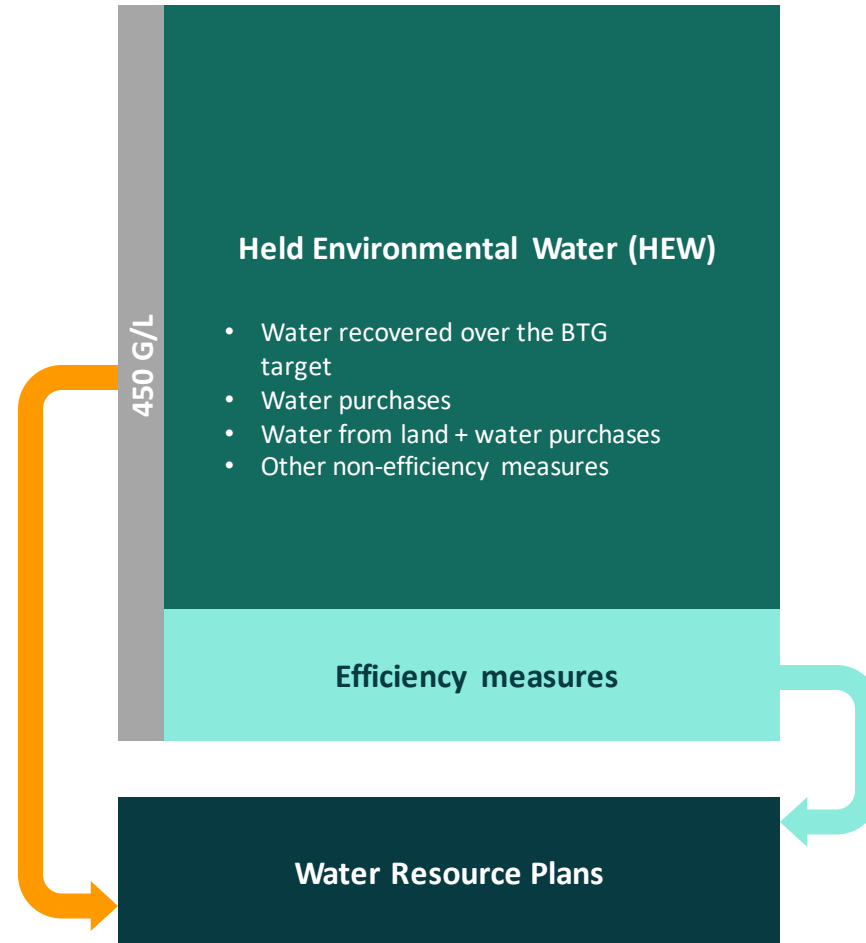
What?

- The proposed expanded 450 GL program will include new categories of projects, in addition to efficiency measures, that can contribute to the 450 GL.
- No change to efficiency measures is proposed. These are still subject to being socio-economic neutral.
- The new categories will not be subject to the socio-economic test that applies to efficiency measures.
- The Government committed as part of the 450 GL program to support minimising socio-economic impacts on communities.

Why?

- To date we have 26 GL contracted out of the 450 GL. Additional time and flexibility are needed to recover the remaining 424 GL.
- The Australian Government's approach to achieving the 450 GL of additional environmental water is based on an overall assessment of value for money informed by the following principles:
 - minimising the socio-economic impact on communities;
 - environmental utility; and
 - water market price.
- The Government will provide transitional assistance funding to communities affected by water entitlement purchases.

450 GL program with legislative change



SDL Accounting and the 450 GL program

How?

- Water savings from efficiency measures transferred to CEWH
- Measures are complete when environmental water entitlements transferred
- The MDBA decreases SDLs
 - SDLs decreased for area where measure operates
- The Restoring Our Rivers Bill provides for the same process
 - SDLs will decrease for both efficiency and HEW contributions, when registered.

Water for the Environment Special Account (WESA)

What?

- The 2nd review of the WESA confirmed that the WESA provisions are inflexible and restrictive. This has limited the Government's ability to deliver the 450 GL.

Why?

- Without amendments to the WESA provisions, approximately \$1.3 billion cannot be used to fund water recovery after 30 June 2024.

How?

- The amendments will:
 - Enable funding of existing projects beyond 2024.
 - Remove the need for funding to be linked to SDLAM measures and reconciliation.
 - Expand the funding criteria to enable broader projects to be funded from WESA to meet the 450 GL target.
 - A third WESA Independent Review, to be provided to the Minister by 30 Sept 2025.

Basin Plan Implementation – working with states and territories, First Nations, communities and industry

Q&A #1

Panellists:

- Rachel Connell, Division Head, Water Reform Taskforce (DCCEEW)
- Emma Solomon, Branch Head, Policy Reform (DCCEEW)
- Tim Goodes, Executive Director, Basin Plan (Murray–Darling Basin Authority)
- Hilary Johnson, Commonwealth Environmental Water Holder (CEWH)

Restoring Our Rivers Bill – Water Market Reform

Background

- The Water market reform: final roadmap report was published on 11 October 2022
- The Roadmap sets out a phased, practical and cost-effective plan for water market reform
- The Roadmap included 23 recommendations
- It aligns to the Australian Competition and Consumer Commission's 2021 inquiry
- The Australian Government committed to implementing all 23 recommendations, with in-principle support from the Basin States.



Key areas of water market reform in the Bill

Water Markets Intermediaries Code

- A new mandatory Code will be developed for water market intermediaries in relation to conduct with their clients.

New insider trading prohibitions

- Prohibition on sharing or trading on this information before others in the market are aware of it.

Data and systems reforms

- New data reporting obligations, including a framework for developing Water Market Data Standards.

Water market decisions

- Water markets decisions by Commonwealth, state governments and agencies, public and private IIOs must be announced in a certain manner.

New market manipulation prohibitions

- Market manipulation will be prohibited. This includes:
 - creating an artificial price for eligible tradeable water rights
 - creating false or misleading appearance of active trading
 - undertaking false trades or transfers.

Removal of grandfathered tags

- The exemptions for grandfathered tags in the Basin Plan will be removed.

Who do the changes apply to?

Water Market Participant	Intermediaries Code	Water Markets Decisions	Insider Trading - Water Announcements	Insider Trading - General	Market Manipulation	Data Reforms	Grandfathered Tags
IIOs that provide intermediary services	✓	✓	✓	✓	✓	This will be specified in regulations and the Water Market Data Standards, which will be consulted on separately.	This will only impact owners of grandfathered tags
IIOs	✗	✓	✓	✓	✓		
Intermediaries	✓	✗	✓	✓	✓		
Commonwealth agencies	✗	✓	✓	✓	✓		
Basin State agencies	✗	✓	✓	✓	✓		

Restoring Our Rivers Bill – Water Market Reform

Next steps, subject to passage of legislation:

- The new reforms will commence in stages between 2024-2026.
- We will be consulting with industry and communities when developing the Water Market Data Standards and other regulations.
- This will allow industry time to adapt and plan for least-cost delivery and compliance.
- The Bureau of Meteorology will continue to work with all data providers to develop fit-for-purpose solutions that minimise costs.

Q&A #2

Panellists:

- Emma Solomon, Branch Head, Policy Reform (DCCEEW)
- Angela de Duonni, Water Markets Industry & Stakeholder Engagement Lead (Bureau of Meteorology)
- David Salisbury, Small Business & Agriculture (ACCC)
- Daniel Blacker, Deputy Inspector-General of Water Compliance – Regulation (IGWC)

Thank you

 **dceew**
gov.au