

**JOINT STATEMENT  
FROM THE PRIME MINISTER AND THE PREMIERS OF NEW SOUTH WALES, VICTORIA  
AND SOUTH AUSTRALIA AND THE CHIEF MINISTER OF THE  
AUSTRALIAN CAPITAL TERRITORY**

**FEBRUARY 2008**

**WATER CONTINGENCY PLANNING IN THE SOUTHERN MURRAY-DARLING BASIN**

The senior officials group examining dry inflow contingency planning in the Murray-Darling Basin has provided a seventh report to governments. First Ministers have agreed to the recommendations made in the report.

Dry conditions continue to prevail in the Murray System. The two year period to the end of November 2007 is the lowest Murray System two year inflow period on record. While critical human needs are being met in 2007-08, the water supply situation in the southern Basin system is extremely difficult and there is a relatively small amount of water available for other uses, impacting on communities, production and the environment. Therefore contingency planning needs to continue.

The Bureau of Meteorology advises that the outlook suggests median rainfall is now more likely across the Basin, although this is somewhat less so for southern and western parts of the Basin where the major storages for the Murray System are located. Irrespective of the positive rainfall outlook for the next few months, higher rainfall at this time of year may not lead to substantial inflows, as the high inflow winter-spring period has passed and higher temperatures are expected to continue through summer, increasing evaporation.

There is now a 3 in 4 chance that there will be less water available at June 2008 than there was in June 2007 and governments will need to plan to secure critical human demand in 2008-09, including the possibility of implementing additional contingency measures in 2008-09 for the River Murray system.

Special water sharing arrangements for 2007-08, agreed by First Ministers on 20 June 2007, to share any improvements above critical needs in the Murray System have worked well to date as they have been effective in distributing early improvements into the Murray System to each of NSW, Victoria and South Australia.

However, inflow improvements are now unlikely to reach the level where the transition to normal arrangements will be completed in the current water year. In response, senior officials recommend that these arrangements should cease as at 29 November 2007 and be replaced by a new approach.

For the remainder of 2007-08, senior officials recommend that any improvements from the Murray System shared resource after November 2007 should be shared in equal proportions between NSW, Victoria and South Australia. Imbalances will be reviewed and agreed repayment arrangements will be implemented. Senior officials also recommend that further improvements from NSW and Victorian tributaries during this period be retained by the relevant state.

In order to manage water quality and losses in the lower reaches of the Murray System it is recommended that any improvements in the Murray System shared resource available to South Australia from December to May 2008 are available for dilution purposes, and can be carried over from 2007-08 to assist in meeting critical human needs, dilution flows and associated water quality requirements in 2008-09.

The arrangements for the remainder of 2007-08 will be reviewed monthly to ascertain if critical human needs and water quality objectives are being met (i.e. 1400 EC at Murray Bridge consistent with the Australian Drinking Water Guidelines). If this is not the case, then adjustments will be made following the agreement of First Ministers.

Senior officials note that water trading has been integral to managing effectively the impacts of dry conditions. However, some administrative delays in processing trades are emerging. This is of concern as it reduces the efficient operation of water markets and processes are under way to improve administrative operation, including timeliness and efficiency. The Murray-Darling Basin Commission will continue to coordinate work to streamline administrative arrangements in relation to both temporary and permanent water trade.

In order to operate the Murray System in 2008-09 a number of contingency measures, in addition to those implemented in 2007-08, will underwrite river operations. As improvements occur, contingency measures will be withdrawn.

Further contingency measures will only be implemented to the extent necessary to operate the Murray System in 2008-09. This includes providing for system and storage losses upstream of the South Australian border and a flow of 696 GL across the South Australian border to manage water quality and system loss requirements in that state and provide for critical human needs if required.

Senior officials have recommended that jurisdictions should take responsibility for reserving sufficient water to underwrite the provision of critical needs in their state for 2008-09. In order to ensure delivery of water carried over by states from 2007-08 to 2008-09, it is recommended that water that is carried over is quarantined for the use of the state that carried it over. It is also recommended that water carried over from 2007-08 to 2008-09 by water users within a State is quarantined from water availability estimates of shared water resources in 2008-09.

As South Australia does not usually have access to storages to carryover water from one year to the next it is recommended that South Australia be able to access upstream storages to hold water that the state, or irrigators in that state, chooses to carry over from 2007-08 for use in 2008-09.

To the extent to which 2008-09 critical needs in NSW and Victoria are not provided for from 2007-08 reserves, NSW and Victoria will underwrite its shortfall from tributary water sources available to that state in addition to the commitments made under special contingency measures.

Further improvements, from the Murray system shared resource (from 1 June 2008 to 31 May 2009) above those required to offset special contingency measures will be shared in equal proportions between the states (NSW, Victoria and South Australia) taking into account the need to resolve water imbalances. Following elimination of the imbalance of South Australia with the upper states, water will be provided to each state in line with the normal provisions of the MDB Agreement.