

Growers' Conference 2022



A sustainable future together

Callum Gilles
DELWP

Nardia Sheriff LMW

Compliance

2022 Growers' Conference – DELWPWater Resource Strategy



Callum Gilles

ZERØ tolerance on water theft.

So there is a level playing field for all water users.



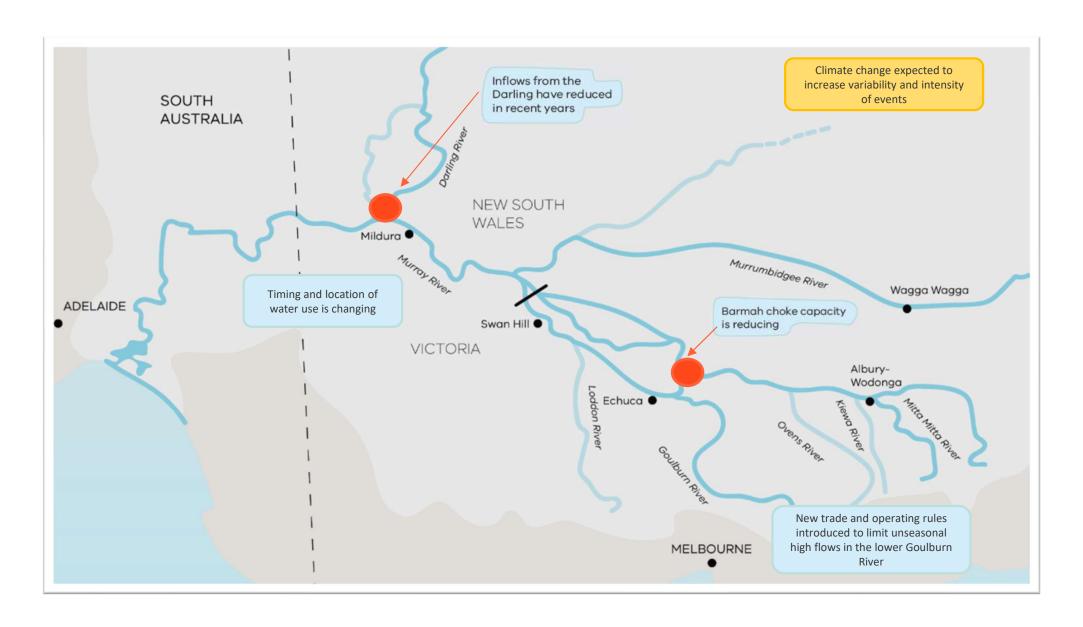
What DELWP will cover today



- 1. Managing the Murray as part of a connected system
- 2. Overview of key priorities
- 3. Maintaining a strong entitlements framework through compliance and enforcement (with Nardia Sheriff, LMW)
- 4. Water markets policy update (Joe Banks)

Managing a changing connected system





DELWP Water Resource Strategy priorities



Our vision: for Victoria's water management framework and market settings to be balanced, flexible, understandable – and contribute to a sustainable water future

So, what are we working on?

- Trade rules enabling trade that we know people rely on for farming, within the ecological tolerances of our river systems and when we can deliver it
- Capping extraction shares we've had works licences called in so that existing entitlement holders' water delivery rights are protected, and to send a strong signal to industry that the risks of a shortfall are real and increasing
- Market information we're reporting reasons for trade, updating information on where and what people are farming and what that means for people looking to buy and sell water.
- Market reform we're working with MDB governments to produce a practical, cost-effective roadmap for future water market reform.
- **Investing in a new Victorian Water Register** increase security, reliability and usability of licensing and trade related services.
- Compliance and enforcement maintaining the integrity of our entitlement framework

Victoria's Compliance and Enforcement Strategy



Victoria has a strong system of water compliance and accounting for water entitlements, and **low levels of water theft**.

A robust water management system:

- protects irrigators who are doing the right thing and Victoria's environmental values
- builds confidence and integrity in the water market
- provides equity of access to water resources





The Victorian Government and its six rural water corporations **do not tolerate** unauthorised take.

Unauthorised Take (water theft)

Allocation account goes into negative allocation balance; or Takes water when their account is in negative balance.

Metering and Monitoring



Water measurement and monitoring is essential to account for the distribution and use of water and a strong compliance regime.

All Rural Water Corporations:

- Meter usage regularly and telemeter where high risk
- Record usage in Victoria's Water Register to actively monitor compliance





Victoria has comprehensive meter coverage with about **68,000 non-urban water meters** including 30,000 with telemetry. Approximately 87% of total water take is measured to ±5% via AS4747 compliant or contemporary meters.

Accurate meters are important however they are only one component of a compliance and water accounting system that provides confidence in the integrity of water markets and that 'one person's megalitre is the same as someone else's'.

Victoria's Compliance and Enforcement Strategy



Rural Water corporations have their own compliance & enforcement strategies to implement the zero-tolerance policy. This means all Unauthorised Take is actively triaged and dealt with.

Victoria ensures a consistent approach through our compliance pyramid (*Figure 1*). Encouraging compliance is key to Victoria's approach. All communication with water users starts with education and guidance to promote voluntary compliance and prevent breaches from occurring in the first place.

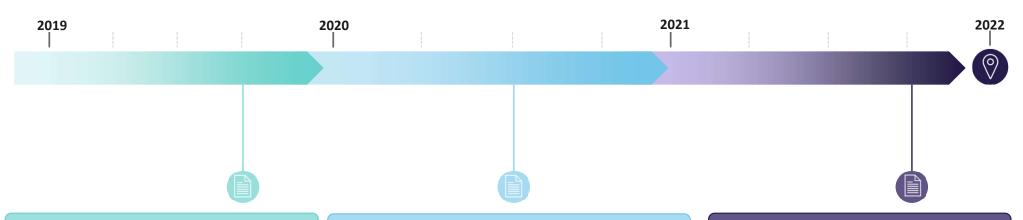
Victoria is a leader in compliance and metering in the Murray Darling Basin and supports the establishment of the Commonwealth's Office of the Inspector General Water compliance to ensure greater compliance and transparency within the Murray Darling Basin.



Figure 1: Illustration of Victoria's non-urban water sector compliance pyramid.

Water Act Strengthened





Water Act 1989 Amendment 2019

- increase the max fine for intentional water theft and related offences to \$990,000 for companies or \$198,000 for
- allow suspension or cancellation of licences

individuals

 enable regulations for Water Corporations to issue penalty infringement notices (fines)
 for less serious water offences

- Water (Infringements) Regulations 2020
- rural water corporations can fine water users if they take water allocation over their authorised volumes by up to ten megalitres
- fines compliment existing enforcement strategies to put an end to water theft
- from 1 July 2022, the max fine for an individual is \$2,219 and \$11,095 for a body corporate

Water Act 1989 Amendment

- ministerial power to deduct water allocations (or licenced water in undeclared systems) from those who use more than their allocation
- more responsibility placed on company directors of corporations who use water to follow the rules

Lower Murray Water



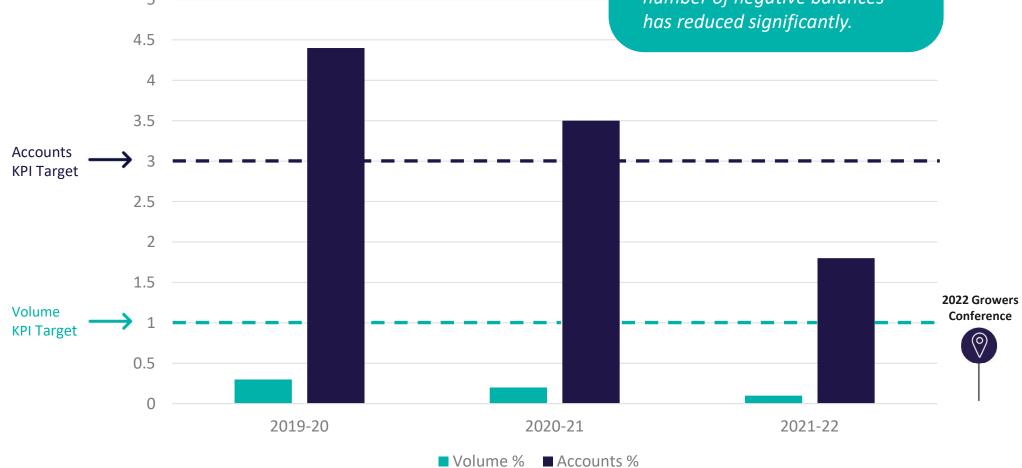


Minister for Water performance targets for unauthorised take:

- No more than 1% of volume of total water taken is unauthorised
- No more than 3% of accounts (ABAs) are to be in negative

LMW continues to strengthen their compliance and enforcement framework.

Since 2019 the total volume and number of negative balances has reduced significantly.



2022 Growers' Conference – DELWP Lower Murray Water



Nardia Sheriff

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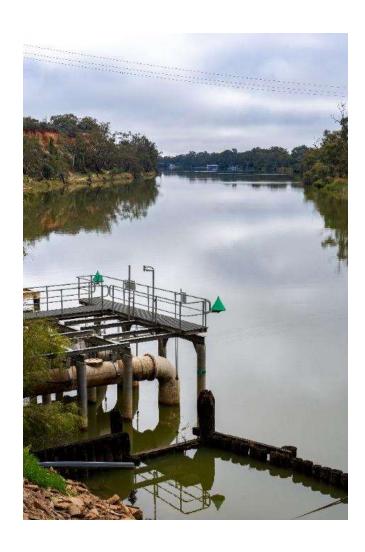
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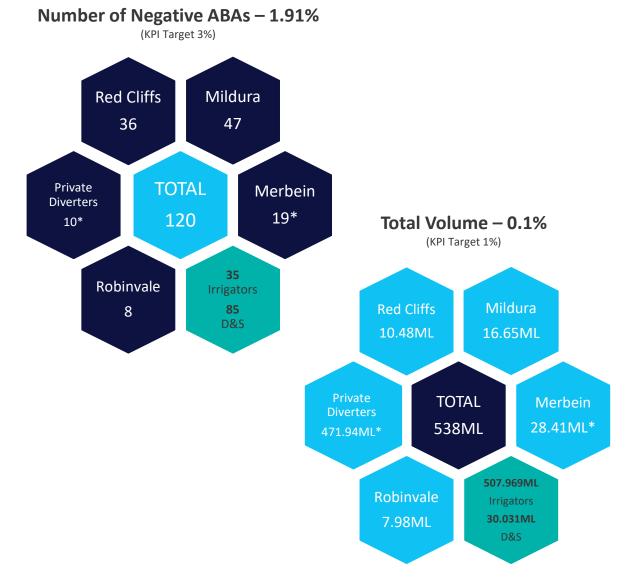


End of Season results as at 30 June 2022









Enforcement Activity





Penalty Infringement Notices



Prosecutions

- 2 customers
- -6.732ML x 2
- <\$2k fine + court costs
- Conviction recorded

- 2 customers
- -57.831ML & -11.87ML respectively
- <\$2k fines + court costs
- Conviction recorded

Merbein



Red Cliffs



- 1 customer
- -32.49ML
- <\$2k fines + court costs
- No conviction recorded

- 1 customer
- -446.583ML
- \$40k fines + court costs
- No conviction recorded

Robinvale



Private Diverter



Future Focus





- Continued PINs and Prosecution for the enforcement of Unauthorised Take for irrigation customers
- PINs Implementation for 'Wrongful Take - not authorised' (Take Without Order) for irrigation customers
- PINs Implementation for 'Unauthorised Take' for D&S customers

