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Ref: D19/34365

Stephen Palethorpe
Committee Secretary
Environment and Communications Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Palethorpe

Thank you for inviting the Murray Darling Basin Authority (MDBA) to provide a written submission to assist the Committee's inquiry into the *Murray-Darling Basin Commission of Inquiry Bill 2019*.

The MDBA has no comment on the central proposition of the Bill, which is to establish a commission of inquiry into the Murray-Darling Basin to investigate various matters. This is properly a matter for the Australian Parliament.

However, I do take the opportunity to note that Basin Plan implementation is at a critical point, reflecting the progress which has been made and the ongoing commitment of Basin Governments.

This brief submission consolidates previously published material the MDBA considers relevant to the Committee's consideration of the Bill. This material is contextual in nature and hopefully provides the Committee with relevant information regarding the Murray-Darling Basin and the Basin Plan.

Once fully implemented, the Basin Plan will reduce water extractions by around 20 per cent or equivalent, and will improve river operations to achieve the best use of increased water for the environment. While water recovery is not yet complete, over 2,000 gigalitres per year on average has been returned to the environment. Irrigation will be substantially more efficient than before, helping to partly offset the economic impact of reduced water availability.

The Basin Plan represents an unprecedented improvement for the environment and a significant structural adjustment for industries and communities. It represents leading edge and world first improvements in water reform. Success will depend on the cooperation and ongoing support of all governments and the wider community. I expect that the Committee would want to consider issues that arose from the South Australian Government's Royal Commission into the Murray-Darling Basin. The MDBA provided a [submission](#) to the Royal Commission. While the Royal Commission report contained some analysis that we support,

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our overwhelming view is that the principal conclusion of the report—that we should start all over again and remake the Basin Plan—would set back progress towards a healthy and sustainable Basin and cause substantial uncertainty for Basin communities. The progressive improvements now being made to the state of the river system across the Basin, as acknowledged in the recent Productivity Commission report, would be deferred or lost in a scenario where implementation stops.

The MDBA remains committed to transparency, to effective and open communication and to education on Basin Plan matters. I draw the Committee’s attention to the significant number of existing reviews which have been undertaken and the very broad range of information and primary materials which are publically available on implementation issues. The Basin Plan has been examined and reviewed and subjected to more scrutiny than just about any other major policy.

I note that Commonwealth and Basin Governments will soon respond to the Productivity Commission’s most recent report. A list of previous substantive reviews and government responses are provided at **Attachment A**. The planned reviews provided an opportunity for implementation to be adapted and improved in response to these inquiries. For example, the Northern Basin Review resulted in changes aimed at achieving more with less water recovery and providing greater focus on flow management rather than diversion limits and water recovery volumes.

The ability to adapt in future is hardwired into the Basin Plan. There are many review points remaining which provide an opportunity to further adapt and reinforce implementation. The Basin Plan must be reviewed periodically, with the next review scheduled for 2026. Remaining reviews are detailed at **Attachment B**.

I acknowledge that drought conditions and recent events including the Menindee fish kills have eroded trust and confidence in the Basin Plan and the institutions responsible for its delivery, including the MDBA. Conversely, these events underpin the very essential nature of the Basin Plan and the reform it will deliver. With a view to rebuilding trust and confidence we are increasing our focus on:

- Recovering momentum in implementing the Basin Plan. [Our second report card](#) confirmed delays across key areas including water resource plans and the SDL Adjustment Mechanism. Water resource plans are an integral element of implementing the Basin Plan. They set new rules based in Commonwealth law for how much water can be taken from the system. They also ensure that state water management rules include new arrangements that strengthen water management at a local level. Once in place, they will be subject to systematic monitoring and review.
- Improving public confidence by continuing to improve compliance arrangements across the Basin.
- Better communicating how decisions are made and on what basis. Like any organisation, there is more we can do to improve communications and transparency, and this remains a priority for the MDBA. An example is that we now publish

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immediately on our website any water resources plans that Basin States put to us for accreditation.

- Strengthening monitoring and science.

The path forward must be characterised by ongoing cooperation and commitment. Everyone will need to work together to implement the Basin Plan in its entirety, and to ensure we can progressively adapt and improve. Australians deserve the opportunity to benefit from the Basin Plan.

The MDBA appreciates the opportunity to provide this submission. I would be happy to provide further information if the Committee feels it would be valuable or necessary.

Yours sincerely

Phillip Glyde

26 July 2019

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Attachment A- Past reviews

Recent reviews

Productivity Commission's [Five-year assessment](#) (December 2018) and the South Australian [Murray-Darling Basin Royal Commission](#) (January 2019)

- The [MDBA made submissions](#) to both of these inquiries

Reviews on recent fish deaths

- NSW Department of Primary Industries [Interim investigation report](#)
- [Independent assessment of fish deaths](#) lead by Professor Rob Vertessy
- Australian Academy of Science [Investigation Report](#)
- Response to recent fish death events- [Recommended action plan](#)

Compliance reviews in 2017 and 2018

- The [Murray-Darling Basin Water Compliance Review](#)
- The [NSW Matthews Inquiry](#) into water management and compliance
- Queensland's [Independent audit of rural water and compliance](#)

The MDBA's [determination to adjust sustainable diversion limits](#)

The MDBA's [2017 Basin Plan Evaluation](#)

The MDBA's [Northern Basin Review](#)

The MDBA's [Reviews of Sustainable Diversion Limits](#) for 3 groundwater sources

It has also been subject to [70 independent reports](#)

There have also been numerous reviews undertaken or initiated by the Commonwealth Government (such as the [Independent review of the Water Act 2007](#)) and State Governments.

Parliamentary Inquiries

Since 2010, there have also been nine parliamentary inquiries:

- Senate Environment and Communications References Committee inquiry into [Sustainable management by the Commonwealth of water resources](#) (October 2010)
- House of Representatives Standing Committee on Regional Australia Inquiry into [the impact of the Guide to the Murray-Darling Basin Plan: Of drought and flooding rains](#) (June 2011)
- Senate Standing Committees on Legal and Constitutional Affairs - [A Balancing Act: provisions of the Water Act 2007](#) (June 2011)
- House of Representatives Standing Committee on Regional Australia Inquiry into [certain matters relating to the proposed Murray-Darling Basin Plan](#) (August 2012)
- Senate Standing Committees on Rural and Regional Affairs and Transport for inquiry and report [into the management of the Murray-Darling Basin](#) (March 2013)
- Senate Select Committee on the Murray-Darling Basin Plan - [Refreshing the plan](#) (March 2017)
- House of Representatives Standing Committee on Agriculture and Water Resources inquiry [into water use efficiency in Australian agriculture - Making every drop count](#) (Reported December 2017)
- Senate Rural and Regional Affairs and Transport References Committee Inquiry into [The integrity of the water market in the Murray-Darling Basin](#) (November 2018)
- House of Representatives Standing Committee on the Environment and Energy Inquiry into [the management and use of Commonwealth environmental water](#) (Report on 7 December 2018)

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Attachment B- Basin Plan reviews

Review	Date	Basin Plan reference	Notes
10-yearly reviews of the Basin Plan	By end of 2026 and at least 10-yearly thereafter	s 13.05(1)(c)	This review sequence is the scheduled opportunity to review settings within the Basin Plan.
Annual report on effectiveness of the Basin Plan	Yearly – given to the Minister within 6 months after the end of the financial year (before 31 December).	S 13.05 (1)(a)	Annual reporting of the Basin Plan.
Key monitoring and evaluation reviews: <ul style="list-style-type: none"> • water quality and salinity management plan targets • the environmental watering plan 	By end of 2020 and five-yearly thereafter (Initial review commenced in 2017)	s 13.08 / 13.09	These monitoring and evaluation reviews are a part of the ongoing M&E program for Basin Plan implementation. Any results feed into the next scheduled review of the Basin Plan.
Review of Basin-wide environmental watering strategy	First review in progress, to be completed November 2019. Second review proposed for 2022	S 8.17	The Basin-wide environmental watering strategy must be reviewed at least every 5 years. The strategy outlines high level principles for how environmental water can best achieve the relevant outcomes of the Basin Plan. Sets measurable outcomes and strategies to achieve them.
Review of water trading rules	By 1 July 2020	S 12.02(5)	MDBA to conduct review of trade rules (subsections 12.02(2)-12.02(4)), in consultation with ACCC

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Assessments of monitoring, evaluation and reporting capabilities	Following five yearly reviews in 2020. Initial review commenced 2017.	S 13.23	No later than 5 years after the Basin Plan commences, the Authority must conduct an assessment of monitoring, evaluation and reporting capabilities relevant to Chapter 13.
Advice on impacts of the Basin Plan	Before the end of 2020	s49A of Act	The Authority must give advice to the MDB Ministerial Council on the impacts of the Basin Plan.
Report on the extent to which the Basin Plan has affected social, economic and environmental outcomes in the Basin	By end of 2020 and five-yearly thereafter (Pilot review undertaken in 2017)	Schedule 12 Item 3	Builds on the s49A requirement. This MDBA report is intended to provide periodic assessments of overall impacts of the Plan. Any results would feed into the next scheduled review of the Basin Plan.
Water for the Environment Special Account	First review by 30 Sept 2019 Second review to be undertaken prior to 30 June 2024	s86AJ Act	Two reviews to be conducted into whether the amount standing to the credit of, and to be credited to, the Water for the Environment Special Account is sufficient to increase, by 30 June 2024, the volume of the Basin water resources that is available for environmental use by 450 GL, and to ease or remove constraints identified by the Authority on the capacity to deliver environmental water to the environmental assets of the Murray-Darling Basin. Review to be conducted by a panel of at least 3 persons nominated by the Minister after consultation with each Basin State.