

**Senate Standing Committee on Environment and Communications**  
**Legislation Committee**  
Answers to questions on notice  
**Environment portfolio**

**Question No:** 127  
**Hearing:** Additional Estimates  
**Outcome:** Outcome 4  
**Programme:** Murray Darling Basin Authority (MDBA)  
**Topic:** Drive reform in the Basin  
**Hansard Page:** N/A  
**Question Date:** 23 February 2015  
**Question Type:** Written

**Senator Xenophon asked:**

\$330 million was given to the Murray-Darling Basin Authority, the Australian Competition & Consumer Commission and the National Water Commission to 'drive reform in the Basin' (Information from FOI 050514).

1. Can the MDBA provide details how much reform this funding (to the MDBA) has driven?
2. How does the MDBA measure 'reform' and what standards does it apply to such expenditures? Please provide details.

**Answer:**

The Murray-Darling Basin Authority (MDBA) is charged with developing and overseeing a planning framework for the integrated management of Murray Darling Basin (the Basin) water resources, in a way that optimises economic, social and environmental outcomes in the national interest.

Funding provided to the MDBA has been used to meet the costs of the development and implementation of the Murray-Darling Basin Plan (the Basin Plan), which is the cornerstone of water reform in the Basin.

The MDBA has been implementing the Basin Plan in partnership with Basin governments since the Plan took effect in November 2012.

The Basin Plan takes a whole-of-basin approach to place the use of the waters resources of the Murray-Darling Basin on sustainable footing. The Plan:

- sets sustainable diversion limits on surface and groundwater use;
- outlines Basin-wide environmental watering arrangements;
- sets Basin water quality targets; and
- establishes new water trading rules to reduce restrictions on trade and improve market transparency and confidence

The MDBA is working with Basin governments over the next five years to develop Water Resource Plans (WRPs), which are a key mechanism for implementing many of these reforms. The MDBA is also working with Basin governments to develop Long Term Watering Plans that give effect to the Basin-wide Environmental Watering Strategy the MDBA released in November 2014.

Work continues on measures to remove or lessen constraints on delivering water to the environment effectively and efficiently through the Constraints Management Strategy.

Additionally, MDBA administers the water trading rules which came into effect in 2014, which increase information availability and transparency for the water market and aim to reduce restrictions on trade across the Basin. The MDBA has also been working with Basin governments and communities to develop indicators assess the effects of the Basin Plan on communities and industries.

Updates on these and other elements of Basin Plan implementation is available in the Basin Plan annual report 2013-14, which was published in April 2015 - <http://www.mdba.gov.au/media-pubs/publications/basin-plan-annual-report-2013-14>

The Basin Plan sets targets for achieving its objectives, and establishes a monitoring and evaluation program to track progress against these targets and evaluate the effectiveness of the Basin plan in achieving those objectives.

The monitoring and evaluation program requires a mixture of annual and five yearly reporting by Basin governments and the MDBA on how they are implementing different elements of the Basin plan. The MDBA uses these reports as the basis for preparing an annual report on the effectiveness of the Basin Plan.

In the early years of implementation, this annual report will be limited in what it can cover, but as more activities get underway, more effects will be measured and evaluated, and the annual report will progressively develop more depth and detail.

With respect to standards applied to expenditure, the MDBA prepares annual general-purpose financial statements which are in accordance with the accounting principles and specific reporting requirements of Australian Accounting Standards (as issued by Australian Accounting Standards Board). These primary financial statements detail operating and investment expenditure, together with revenues received. This information is subject to independent audit by the Australian National Audit Office.

In addition to annual financial statements, the MDBA prepares regular monthly reports to the Commonwealth Department of Finance, who in turn monitor expenditure in terms of the approved budget (with any material variances subject to questioning). These are the principal financial accountability statements that ensure that the MDBA is spending its available budget for approved purposes, consistent with its establishing legislation.

It is also relevant to note that as from 1 July 2014 the MDBA became a corporate Commonwealth entity pursuant to the *Public Governance & Performance Accountability Act 2013* (the PGPA Act). In accordance with the PGPA Act, the MDBA must have in place robust systems of internal control, including for planning and budgeting, risk management and performance reporting. The MDBA must also report annually to the Minister for Finance on its compliance with the provisions of the PGPA Act.