



# National Irrigators' Council

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## ***Murray-Darling Basin Authority Institutional Arrangements***

*The National Irrigators' Council supports a comprehensive review of the activities of the MDBA, the CEWH and the Department of the Environment to ensure there is no duplication of activities in environmental planning, watering, monitoring and evaluation*

### **Position Statement**

*Statement ratified 1 October 2014*

# **National Irrigators' Council Position Statement MDBA Institutional Arrangements**

## **Introduction**

With the legislating of the Basin Plan in 2014, and implementation well underway, it is timely to consider the institutional arrangements for the Murray Darling Basin Authority (MDBA), the management of environmental water and other bureaucratic arrangements relating to full implementation of the Basin Plan and the Water Act 2007.

## **NIC Principles Relevant to this Position Statement**

- Irrigators must be fully and effectively engaged in the development of relevant policy.
- Irrigators expect an efficient, open, fair and transparent water market.
- Irrigators require a consistent national approach to water management subject to relevant geographical and hydrological characteristics.
- Irrigators expect Government policy to deliver triple bottom line outcomes.
- Regulatory and cost burdens of reform be minimised and apportioned equitably.

## **Guiding Question**

1. Do current bureaucratic arrangements reflect open, transparent and efficient management of river operations and associated environmental water portfolios and policy?

## **Key Messages**

- The Water Act and the Basin Plan require multiple agencies to be responsible for planning, managing and monitoring environmental and consumptive water use and reporting.
- There is a lack of clarity about how the agencies work together to complement, rather than duplicate, what others are doing.
- There must be an ongoing effort to reduce duplication and streamline regulation related to the Water Act and the Basin Plan in an effort to minimise costs and maximise efficiencies.
- The cost of delivering joint programs under the Murray-Darling Basin Agreement must be open and transparent and should be put through an independent determination process as applies to other bulk water agencies.
- The cost of fully implementing the Basin Plan and delivering the associated environmental water portfolio must continue to be met by the Commonwealth to reflect reform in the 'national interest'.
- Reviews and planning of water reform and management must draw on local and water industry expertise.

## NIC's position

- The MDBA currently has policy, regulatory and operational responsibilities with regard to water management. This can lead to conflict. Other States such as NSW and Victoria have separated the operational responsibilities of water management from the policy to reflect a sensible separation of powers.
- The NIC supports a comprehensive review of the activities of the MDBA with regard to the delivery of joint programs to ensure the current structure allows the most efficient and effective river operations.
- The NIC supports a comprehensive review of the activities of the MDBA, the CEWH and the Department of the Environment to ensure there is no duplication of activities, for example the planning, prioritising, management and deliveries of environmental water.
- In its current form, the Water Act and the Basin Plan require multiple entities to have responsibility for environmental planning, watering, monitoring and evaluation. There is no clear structure that shows how the entities coordinate their activities.
- There must be transparency and clarity around how the MDBA will integrate its activities with other agencies including the Commonwealth Environmental Water Office (CEWO), the Basin States and local stakeholders. It is six years since the MDBA was established and the institutional arrangements designed to give effect to the Basin Plan, remain unclear. Stakeholders need a sound understanding of these arrangements to have certainty that the Plan can be delivered effectively and efficiently without duplication.
- The Basin Plan is designed to secure a strategic national objective; as such, the costs and benefits of the Plan must be attributed to **ALL** Australians and not simply passed on to Basin communities and farmers within the Basin.
- A key platform of the Basin Plan is the requirement to incorporate local knowledge in decision making. The arrangements for acquiring and incorporating such local knowledge have not been formalised. Stakeholders need to be informed how local knowledge is feeding into environmental watering plans, activities and monitoring. To this end, the NIC supports the appointment by the CEWH of regional engagement officers to be based in strategic locations across the Basin and call for similar appointments to be made by other agencies such as the MDBA.
- Environmental water use and performance reporting should be re-assigned so that annual reports are produced by the CEWO and Basin States, with five yearly audits of performance being undertaken by the MDBA.
- In order to ensure stakeholder confidence, the Commonwealth Government must ensure that water industry knowledge is embedded at the highest levels of decision making within those agencies/authorities that are delivering the Water Act and Basin Plan.

## **Background Information**

Murray-Darling Basin Authority (MDBA): The MDBA was established in 2008 and is the principal government agency responsible for the management of the Murray-Darling Basin. The Authority is a statutory agency charged with, in conjunction with the Basin states, managing the Murray-Darling Basin's water resources in the national interest. The Authority reports to the Australian Government Minister for the Environment.

The MDBA is responsible for:

- implementing a Plan for the Basin
- facilitating Basin States and communities to identify common interests and support reform
- using knowledge and evidence to formulate policy and set standards
- enforcing effective Basin governance – the frameworks and institutional arrangements which enable Basin-wide decisions and compliance; and
- managing the rivers and river assets (on behalf of Basin States) with technical and scientific capability.

The MDBA has established the following strategic goals:

- Strategic Goal 1: Integrated Water Management – Sustainable water planning and management arrangements that optimise the social, economic and environmental outcomes from the use of Basin's water resources.
- Strategic Goal 2: River and Ecosystem Health – Protect, restore or improve the ecological health and resilience of the Basin's key environmental assets and water dependent ecosystems.
- Strategic Goal 3: Knowledge into Action – Develop authoritative information, monitoring and research, in partnership with governments, scientists, and communities, to underpin decision making and adaptive management.
- Strategic Goal 4: River Murray Asset Management – To equitably, efficiently and effectively manage, operate and sustain the River Murray System assets to deliver States' water allocations and environmental outcomes.

Murray-Darling Basin Ministerial Council (MDBMC): The inter-governmental MDBMC acts in an advisory role in the preparation of the Basin Plan by the MDBA. The Council comprises the Commonwealth Minister, who chairs the Council, and one minister from each of the Basin states (Queensland, NSW, Victoria, South Australia and the ACT).

In February 2014, the MDBMC agreed to a package of reforms to strengthen governance arrangements underpinning the continuing cooperation between jurisdictions, and the management of joint assets, water resources and programs by the MDBA for the participating governments.

These reforms are designed to strengthen the clarity and certainty around the respective responsibilities of the Ministerial Council, the Basin Officials' Committee and the MDBA, and how they will interact with one another into the future. In strengthening Ministerial Council oversight of joint programs, agreed reforms include a Ministerial Statement of Intent and Service Level Agreement between the Council and the MDBA, supported by a package of amendments to be made to the Murray–Darling Agreement that give further effect to the new reforms.

### Implementing the Basin Plan

While the Basin Plan sets timeframes and milestones, Basin governments will need to undertake further actions to give full effect to its requirements. This includes on-ground implementation activity and the finalisation of supporting governance and institutional arrangements. Integrating initiatives led by the Australian Government with those led by the Basin states will be critical to achieving optimal results.

Governments will need to work cooperatively and engage in whole-of-Basin processes to develop the coherent implementation strategies and guidelines that are essential to provide clarity about roles and responsibilities. Goodwill and renewed commitment by all parties will be needed to re-establish the working arrangements needed to deliver Basin Plan outcomes effectively.

### Conclusion

The recent appointments of Mr George Warne and Mr Gavin McMahon to the MDBA's Board and the Expert Panel reviewing the Water Act respectively is a significant and sensible move.