



TRIM Ref: D12/32394

The Hon Tony Burke MP  
Chair, Murray-Darling Basin Ministerial Council  
c/- Parliament House  
CANBERRA ACT 2600

Dear Minister

I am writing pursuant to s43A(6)(c)(ii) of the *Water Act 2007* (Cth) to provide the Murray-Darling Basin Ministerial Council with an altered proposed Basin Plan. This follows amendments made in light of the comments provided by the Ministerial Council on 9 July 2012 in its notice to the Authority under s43A(4) of the Act.

As you are aware, s43A(7) of the Act provides that the Ministerial Council now has three weeks to give you a written notice:

- (a) stating that neither the Ministerial Council nor any of its members express any further views on the proposed Basin Plan; or
- (b) setting out the views of the Ministerial Council, indicating whether one or more of its members disagree with the long term sustainable diversion limits proposed in the proposed Basin Plan, and/or any other aspect of the proposed Basin Plan in relation to which the Minister may give a direction under subparagraph 44(3)(b)(ii).

If the Ministerial Council does not give you a notice within the three-week period, the Council and its members are taken to not express any further views on the proposed Basin Plan.

To assist the Ministerial Council with its deliberations, please find the following documents enclosed:

- an altered proposed Basin Plan
- a report prepared under s43A(6) of the Act summarising submissions received in response to consultation on the matters raised by the Ministerial Council and the changes made by the Authority to the proposed Basin Plan in light of those submissions
- Statutory Guidelines relating to Chapter 7 of the proposed Basin Plan, and
- a draft Explanatory Statement, which is required under s29 of the Legislative Instruments Act to accompany the Basin Plan on lodgement.

The Authority has considered the matters in the notice from the Ministerial Council and has undertaken consultations considered necessary or appropriate under subsection 43A(6) including meetings with key stakeholder groups representing affected interests.

A summary of the views expressed during consultation on the matters raised in the notice can be found in our s43A(6) consultation report.

In considering the matters raised in the Ministerial Council notice, the Authority has endeavoured to accommodate those matters where there has been a consensus position among Basin ministers, as expressed in Attachment A of the notice. However, as may be expected, it has been difficult to accommodate many other matters raised in Attachments B to G of the notice, given the differing views of Basin ministers and jurisdictions. None the less, we have endeavoured to work with each jurisdiction and will continue to do so.

In relation to the key consensus positions raised in Attachment A of the notice, the Authority has taken the following approaches:

#### *Apportionment*

The Authority welcomes the advice from the Ministerial Council that it supports including in the Basin Plan the apportionment of downstream shares among jurisdictions provided the principles are consistent, equitable and transparent. We also note that, subject to the Ministerial Council reaching a consensus position on the method to be used to apportion the water, the members would give consideration to an apportionment based on surface water diversions less urban water use or surface water diversions less critical human water needs.

Given the Ministerial Council's ongoing consideration of this issue, the Authority has not made any changes to this part of the proposed Basin Plan at this point. However, in anticipation that Council members reach an agreed position on this matter, the Authority will provide Basin state officials with draft provisions.

#### *SDL adjustment*

The Authority is pleased that the Ministerial Council responded positively to the suggestion to include an SDL Adjustment Mechanism in the proposed Basin Plan. The mechanism will provide a transparent and scientifically valid way to take into account efficiencies and savings achieved through various initiatives in the Basin that could lead to adjustment of SDLs.

The Authority has worked closely with Basin state officials to develop this mechanism, including developing a forward work program to ensure the mechanism is fully effective. The Authority will continue to collaborate closely with Basin state officials to implement this work program and produce the detailed guidelines underpinning the mechanism.

#### *Groundwater*

The Authority appreciates the recent discussions held with Basin state officials regarding the Ministerial Council comments on groundwater sustainable diversion limits. The Authority also held a further workshop with groundwater experts to seek technical advice on the matters raised in the Ministerial Council notice as well as on additional information provided by Basin states regarding groundwater aquifers. In light of these discussions, the Authority has made some adjustments to the groundwater sustainable diversion limits; however, it has not been able to accommodate all the requests made by individual members of the Ministerial Council.

The Authority acknowledges that with better information there may be a case to revisit some of the groundwater SDLs in future. To this end, the Authority is keen to work with states and the scientific community on a joint work program to improve the groundwater knowledge base. If there is support from ministers, the Authority is also willing to explore expanding the SDL Adjustment Mechanism to include groundwater.

Should members be agreeable, the Authority would also support the making of regulations that would exclude some deep groundwater resources from the Basin Plan on the basis there is no risk to other Basin water resources. It would be beneficial if this could occur before the Basin Plan is finalised.

The Authority wishes to thank the Ministerial Council for its detailed comments on the proposed Basin Plan, and would like to also acknowledge and thank the many Basin officials and stakeholders who provided significant input in recent weeks.

The common ground achieved by the Ministerial Council has enabled a strong framework for managing the Basin as a whole. The Australian community can be confident that a Basin Plan can proceed and a new milestone in Australia's water reform history can be achieved.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Craig Knowles', with a long horizontal flourish extending to the right.

Craig Knowles  
Chair

06/08/2012

CC:

The Hon. Andrew Cripps MP, Minister for Natural Resources and Mines (QLD)

The Hon. Katrina Hodgkinson MP, Minister for Primary Industries (NSW)

Mr Simon Corbell MLA, Minister for the Environment and Sustainable Development (ACT)

The Hon. Peter Walsh MP, Minister for Water, Agriculture and Food Security (VIC)

The Hon. Paul Caica MP, Minister for Water and the River Murray (SA)