Management and accountability
Management and accountability

Chapter 4 Using best practice financial, management and governance systems


The relevant sections of the MDTC Strategic Plan are noted under the chapter titles and main subsection headings.
Chapter 4

Using best-practice financial, management and governance systems

MDBC Strategic Plan 2005–2010, Objective 3: Delivery of high-quality advice to council, and achievement of its endorsed priorities, through strengthened capacity of the commission and the commission office

- Enhancing financial and management systems 87
- Strengthening corporate, technical and policy capacity 93
- Developing information and communication resources 103
- Communicating with stakeholders and communities 105
- Ensuring effective governance 110

Members of the Murray-Darling Basin Authority, in Canberra in June 2009 for their first meeting, pose on the steps of Parliament House.
Overview

Corporate services were provided to the Murray–Darling Basin Authority (MDBA) by the Department of the Environment, Water, Heritage and the Arts under a memorandum of understanding from 8 September to 14 December 2008. Following the transition of staff and systems from the Murray–Darling Basin Commission (MDBC) to MDBA on 15 December, MDBA provided all corporate services internally.

The establishment of MDBA as a new Commonwealth agency, and of the corporate governance framework and corporate service delivery that the new status entailed, was a major focus during 2008–09. This involved the implementation of sound policies, practices and procedures under both the Financial Management and Accountability Act 1997 (Cwlth) and the Public Service Act 1999 (Cwlth).

Priority was also given to implementing reporting frameworks to ensure that MDBA met its obligations in relation to financial reporting, risk and fraud management, Senate Order requirements for contracts and file creation, freedom of information requirements and Legal Services Directions.

Effective management of media relations, online initiatives, publication production, and information resources all strengthened stakeholder and community access to information about the Basin and the work of MDBA and the former MDBC.
Highlights

- Developed Chief Executive Instructions to provide clear and comprehensive guidance to staff on corporate governance matters.
- Reconfigured all financial frameworks to comply with obligations under the Financial Management and Accountability Act 1997 (Cwlth) and Public Service Act 1999 (Cwlth).
- Developed the first MDBA Corporate Plan covering the period 2009–10 to 2012–13.
- Successfully implemented a project management framework.

Business planning


In July 2008 work started on the business planning cycle for 2009–10, which involved consultation with jurisdictional partners on the range of program activities and expenditure. Consultation was carried out through high-level committees, working groups and taskforces where relevant.

Following the transition of the MDBC functions to MDBA on 15 December 2008, and in accordance with Schedule 1 to the Water Act 2007 (Cwlth), work started on the development of the first MDBA Corporate Plan to cover the period 2009–10 to 2012–13. The plan builds on a draft developed by MDBC and incorporates the new Basin planning role and the reporting requirements under the Water Act. Detailed consultation was undertaken with jurisdictional partners during the development of the plan, and the proposed plan was considered by the Basin Officials Committee in May 2009. It was then submitted to Ministerial Council and approved at the council’s 12 June meeting. The plan was also endorsed by the Murray–Darling Basin Authority at its first meeting on 1–2 June 2009.

Performance reporting

Financial and non-financial performance and progress in 2008–09 were reported against the MDBC Strategic Plan and Business Plan, as outlined in the previous section above.
Two summaries of progress against the Strategic Plan’s key performance indicators are included in this annual report:

- up to and including 14 December 2008 in the MDBC report (page 195)
- for the whole financial year in Appendix B of the MDBA report (page 165).

MDBA took the opportunity created by the transition of the MDBC functions to review the internal performance reporting framework, in particular how the internal performance reporting aligned with the reporting obligations specified in the Portfolio Budget Statements and the Water Act. A revised framework — incorporating a holistic approach to quarterly performance reporting and consolidating reporting on financial and non-financial performance, risk management, project management and workforce metrics — is now being developed for implementation during 2009–10.

**Project Management Framework**

During 2008–09, research into an MDBA Project Management Framework (PMF) was carried out, and the design was completed and approved. Starting with a pilot program during 2008 and full implementation on 1 April 2009, the PMF enables MDBA project managers to apply consistent, transparent and effective project management and project reporting processes for minor and major projects.

To widen the understanding and use of the PMF, a program of targeted information sessions, training courses and staff mentoring was undertaken.

A key output of the PMF will be the production of Executive project status reports to optimise the overseeing of MDBA’s major projects.

**Financial management**

The key focus during the year was developing and implementing a robust financial framework that meets the requirements of the *Financial Management and Accountability Act 1997* (FMA Act). This required the development of new financial policies and procedures, and the reconfiguration of all financial and human resource systems.

The major achievements in the financial area included:

- termination and finalisation of MDBC’s activities up to and including 14 December 2008, and the audit of the closing financial statements
- development of a comprehensive set of Chief Executive Instructions and financial procedures to guide staff on financial obligations and internal processes
- development of a new financial delegation framework based on greater devolution of financial responsibilities to improve decision making
- reconfiguration of the electronic finance system (called ‘Finance 1’) to implement the government accounting framework, to enable the interface and interaction with the Department of Finance and Deregulation and with the Commonwealth Budget Management System, and to meet the Portfolio Budget Statements reporting requirements
transition of the human resources system to the Public Service Act framework, including the implementation of transition arrangements for human resources and the development of additional system functionality and reporting capabilities

establishment and implementation of a procurement framework compatible with the Commonwealth Procurement Guidelines, which included the review and revision of all documentation and templates

establishment of the financial records and structures of The Living Murray Initiative (LMI) and River Murray Operations (RMO) joint ventures — two additional jurisdictional structures created by the transition process (see page 90).

### Financial performance

MDBA’s total expenditure for 2008–09 was $177.678 million, which was $44.604 million below the expenditure budget.

Table 4.1 explains the main features of MDBA funding in 2008–09.

### Table 4.1 MDBA funding in 2008–09

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actuals $’000</td>
<td>Actuals $’000</td>
<td>Variance $’000</td>
</tr>
<tr>
<td>Outcome 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2,571</td>
<td>517,641</td>
<td>515,070</td>
</tr>
<tr>
<td>Expenses</td>
<td>5</td>
<td>177,678</td>
<td>177,673</td>
</tr>
<tr>
<td>Surplus/(deficit)</td>
<td>2,566</td>
<td>339,963</td>
<td>337,397</td>
</tr>
<tr>
<td>Total departmental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2,571</td>
<td>517,641</td>
<td>515,070</td>
</tr>
<tr>
<td>Expenses</td>
<td>5</td>
<td>177,678</td>
<td>177,673</td>
</tr>
<tr>
<td>Surplus/(deficit)</td>
<td>2,566</td>
<td>339,963</td>
<td>337,397</td>
</tr>
</tbody>
</table>

### Financial position

MDBA was established under the Water Act 2007 (Cwlth) in March 2008. It commenced operations on 8 September 2008 with initial funding for the establishment of the authority and the Basin Plan function.

The transfer of MDBC functions to MDBA on 15 December 2008 also resulted in the transfer of the residual assets and liabilities of MDBC. Cash of $441.487 million transferred to the MDBA Special Account was reported as income, and a surplus of liabilities over assets of $11.199 million was reported as negative contributions to equity, contributing to an operating surplus for 2008–09 of $339.963 million.
Assets and asset management
MDBA non-financial assets at the end of 2008–09 were $5.062 million. These assets consist mainly of information and communications technology (ICT) infrastructure, office fitout and office equipment.

Liabilities
Liabilities administered directly by MDBA at the end of 2008–09 amounted to $53.909 million. These mainly consist of amounts owing to suppliers and provisions for employee entitlements.

Total equity
MDBA ended the year with total equity of $331.33 million (see Table 4.2). This was due primarily to the transfer of MDBC assets and liabilities, in particular cash resources of $441.487 million.

Table 4.2 MDBA equity at end of 2008–09

<table>
<thead>
<tr>
<th>Measurement</th>
<th>2007–08 $ million</th>
<th>2008–09 $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>2.566</td>
<td>385.239</td>
</tr>
<tr>
<td>Liabilities</td>
<td>–</td>
<td>53.909</td>
</tr>
<tr>
<td>Total equity</td>
<td>2.566</td>
<td>331.330</td>
</tr>
</tbody>
</table>

Discretionary grant programs
MDBA did not make any discretionary grants during 2008–09.

Managed assets: joint ventures
Concurrent with the transition of MDBC functions and residual assets and liabilities to MDBA, two joint ventures were established to hold the jurisdictional assets previously held by MDBC on behalf of the relevant jurisdictions. The joint ventures were established through two agreements between the partner governments:

- the Asset Agreement for River Murray Operations Assets (RMO joint venture agreement)

The RMO joint venture held net assets of $1.952 billion and the LMI joint venture held net assets of $546.498 million at 30 June 2009.
The RMO joint venture agreement acknowledges that each jurisdiction exercises control over its share of the RMO assets through its representative on the Murray–Darling Basin Ministerial Council and its representative on the Basin Officials Committee. The jurisdictions acknowledge that the RMO assets are managed by MDBA on their behalf.

The LMI joint venture agreement acknowledges that The Living Murray assets are controlled jointly by The Living Murray partner governments. These governments acknowledge that The Living Murray assets are not under MDBA’s control but that MDBA has management responsibilities for these assets.

**Procurement activities**

**Purchasing and procurement**

Since it commenced operations on 8 September 2008, MDBA has conducted its procurement in accordance with the Commonwealth Procurement Guidelines.

Under the MDBC transition provisions, all existing MDBC commitments and contracts became MDBA commitments and contracts. All these contracts continue to operate until their completion, or variation by MDBA, in accordance with the contractual arrangements entered into by MDBC.

**Procurement framework**

MDBA has adopted a devolved procurement framework that places responsibility for procurement with financial delegates. To support these delegates, Chief Executive’s Instructions for procurement have been established, and ongoing training is provided on financial delegations and procurement. In addition, work on developing a comprehensive procurement procedural guide began during the year, and the guide is expected to be released in the first quarter of 2009–10.

A central procurement and contracts unit provides advice and assistance to line areas conducting procurement. The unit ensures compliance with relevant instructions, policies and procedures and compliance with the Commonwealth Procurement Guidelines in addition to providing probity advice and maintaining standard tender and contract templates.

**Performance against core purchasing policies**

MDBA has complied with the mandatory procurement procedures of the Commonwealth Procurement Guidelines, as mentioned above. Relevant policy and legislative obligations — such as the policy on small and medium enterprises, the 30-day payment policy, and the Legal Service Directions — were met.

MDBA advertises tender opportunities through the AusTender website. Documentation is available from the MDBA website, which also includes a facility for tender submission.

Our first Annual Procurement Plan, for 2009–10, was published on AusTender in June 2009 and will be updated as required throughout the next year.
Chapter 4  

Reporting

All contracts with a value of $10,000 or more, including continuing contracts transferred from MDBC, were reported on AusTender.

MDBA met the requirements to report on the Senate Order on Government Agency Contracts for the calendar year 2008 and the financial year 2008–09. All contracts with a value of $100,000 or more are listed at <http://www.mdba.gov.au/about/tenders>.

MDBA met the requirement to report to the Department of Finance and Deregulation relating to authorisations to spend public money under Regulation 10 of the Financial Management and Accountability Regulations 1997.

Consultancy services

MDBA conducts procurement for consultancy services in accordance with the Commonwealth Procurement Guidelines and the Chief Executive’s Instructions. Selection of consultants is determined by the principle of value for money. All procurement of consultancy services meets transparency and accountability requirements.

Expenditure on consultancies during 2008–09

Since MDBA commenced operations on 8 September 2008 and until 30 June 2009, 21 new consultancy contracts were entered into, involving total commitments of $1.070 million. A further 12 consultancies involving total commitments of $4.981 million were transferred to MDBA on 15 December 2008 under the MDBC transition provisions.

At 30 June 2009, 17 ongoing consultancy contracts were active, involving total commitments of $5.955 million.

Details of contracts let by MDBA in 2008–09 to the value of $10,000 or more are available on AusTender or from MDBA as a PDF file.

The list of consultancy contracts let in 2008–09 to the value of $100,000 or more is at <http://www.mdba.gov.au/about/corporate_documents/contact_listings>. Anyone who cannot access this list can obtain it in a suitable alternative format by contacting MDBA.

Information on expenditure on contracts and consultancies is also available on the AusTender website at <www.tenders.gov.au>.

Exempt contracts

During 2008–09 there were no standing offers or contracts in excess of $10,000 (GST inclusive) exempted by the Chief Executive from being published on AusTender under the Freedom of Information Act 1982 (Cwlth).

Access by the Auditor-General

MDBA’s consultancy agreements comply with Australian National Audit Office (ANAO) requirements. The standard long-form consultancy agreement allows for ANAO access. The short-form agreement does not include a provision allowing ANAO access. Other agreements may include a requirement for ANAO access depending on the nature of the services.
Chapter 4

Staff transition to MDBA

Significant resources were devoted by both the Murray–Darling Basin Commission (MDBC) and the Murray–Darling Basin Authority (MDBA) to ensure a smooth transition of MDBC staff to MDBA. MDBC staff were offered employment with MDBA, and 189 of the 191 employed at the time of transition on 15 December 2008 accepted the offer.

To facilitate the smooth transition of the staff to MDBA and the Australian Public Service, a number of critical tasks were undertaken including:

- aligning the MDBC position classification structure with the Australian Public Service classification structure
- transmission of the MDBC Collective Agreement 2006–09 to MDBA
- obtaining approvals to allow the continuation of certain employment conditions for staff transferring from MDBC — for example, continuation of coverage of long service leave under the Long Service Leave Act 1976 (ACT)
- developing key human resource policies to align MDBA with the Public Service Act 1999 (Cwlth) and the Australian Public Service environment
- providing training on the Australian Public Service Code of Conduct and Values, and the requirements for financial management, human resource management and record management.

Learning and development

MDBA places a high priority on learning and development, with the prime focus during 2008–09 being on the transition of MDBC staff and the induction of new staff to MDBA. Targeted training was provided to develop a knowledge and understanding of employee obligations in the Australian Public Service. There was also a continuing focus on strengthening leadership and building people management capability at all levels.
Key activities during the year included:

- A range of courses on Australian Public Service induction and the Code of Conduct; the *Financial Management and Accountability Act 1997* (Cwlth); the Commonwealth Government Procurement Guidelines; and record management.
- A training program on advanced selection techniques aimed at enhancing the recruitment process.
- Project management training to underpin implementation of the MDBA Project Management Framework.
- A leadership course for executive-level staff, focusing on organisational leadership, strategic influence and change management.
- Executive coaching.
- A two-day Senior Executive Service (SES) transition workshop, focusing on the priorities for the new MDBA; accountabilities of SES employees in the Australian Public Service; governance; and building relationships with the minister’s office and jurisdiction agencies.

**Workforce planning**

The MDBC Workforce Plan 2007–2010 provided a framework under which we continued to enhance our approach to workforce planning. During 2008–09 we continued to implement the plan, with an additional key focus of managing the transition of staff to MDBA.

Key activities included:

- Implementing a capability framework to align with the Australian Public Service classification structure.
- Reviewing our employee exit survey, providing us with valuable feedback in relation to retention strategies.
- Reviewing our induction program.
- Revising our learning and development program to take account of the transition to the Australian Public Service.
- Enhancing monthly human resources statistical reporting to the MDBA Executive to ensure that our reporting provides an accurate platform for future workforce analysis.

The above work will underpin a new three-year Strategic Workforce Plan that will be developed and implemented during 2009–10.

**Recruitment**

MDBA has developed a range of strategies and initiatives to address changes in recruitment processes that ensure alignment with Australian Public Service requirements. Our focus has been on the retention and recruitment of high-calibre
people to achieve MDBA’s strategic outcomes and to provide the necessary specialist capabilities.

In a year of rapid growth, the number of employees reached 235 by 30 June 2009. During 2008–09 we undertook a total of 98 recruitment activities, 81 of which were external, and attracted over 900 applicants.

Under section 72(1)(d) of the Public Service Act, 191 offers were made to former MDBC employees, with a total of 189 accepting an offer of engagement to work with MDBA following transition on 15 December 2008.

During 2008–09, MDBA began recruitment for its inaugural graduate program, which will start in early 2010. The program attracted 174 applicants, who progressed through a series of assessment activities, resulting in a shortlist of 26. MDBA is also participating for the first time in the Indigenous Graduate Program conducted by the Australian Public Service Commission.

MDBA aims to recruit six graduates from the two programs. They will participate in a variety of structured learning and development activities, including a Diploma of Government, as well as on-the-job and technical learning and development activities.

Collective Agreement

On 15 December 2008, the MDBC Collective Agreement 2006–09 transmitted to MDBA. This agreement covered all new employees and those transferring from MDBC, except Senior Executive Service (SES) employees and those covered by an individual employment contract (IEC). (Before 15 December 2008, MDBA did not need a collective agreement as it had no non-SES employees.)

The Collective Agreement has a nominal expiry date of 19 October 2009. Negotiations for a new Enterprise Agreement for all non-SES staff started in April 2009, and it is expected that this will be in place in October 2009.

Determination of Senior Executive Service remuneration

MDBA has twelve SES employees, seven of whom transitioned from MDBC. SES rates of pay are set by the Chief Executive, in consultation with the employee and in accordance with MDBA’s SES remuneration policy.

The remuneration packages for those SES employees who transitioned from MDBC are covered by individual employment contracts (IECs), which were novated to MDBA. The remuneration package for all new SES employees is provided through a section 24(1) determination under the Public Service Act. The salary package offered to an SES employee may include a vehicle allowance, a car parking space and performance pay.
**Chapter 4**

**Performance pay**

New SES staff appointed to MDBA may be eligible for performance pay if they achieve a rating of ‘exceeds job requirements’ or higher in their annual performance assessment.

Details of payments made during 2008–09 are shown in Table 4.3.

SES employees who transitioned from MDBC are not eligible for performance pay, as this had been rolled into their basic salary package.

MDBA’s SES arrangements will be reviewed during 2009–10 with the aim of making these consistent for all SES employees.

Non-SES staff are not eligible for performance pay.

**Table 4.3 MDBA Senior Executive Service employees — performance pay**

<table>
<thead>
<tr>
<th>Classification SES Bands 1 and 2</th>
<th>2007–08 1</th>
<th>2008–09 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of performance payments</td>
<td>n/a</td>
<td>5</td>
</tr>
<tr>
<td>Average performance pay</td>
<td>n/a</td>
<td>$4,953</td>
</tr>
<tr>
<td>Range of performance pay</td>
<td>n/a</td>
<td>$1,517–$11,499</td>
</tr>
<tr>
<td>Total paid</td>
<td>n/a</td>
<td>$24,766</td>
</tr>
</tbody>
</table>

Notes:

1. Performance pay bonus payments are not applicable in 2007–08 as MDBA did not commence operations until September 2008.
2. All payments in 2008–09 were made on a pro rata basis as employment did not span the full appraisal period.

**Special terms and conditions for non-SES employees**

Where appropriate, special terms and conditions of employment are currently provided to non-SES employees through:

- individual employment contracts (for nine non-SES employees who transitioned from MDBC)
- section 24(1) determinations under the Public Service Act (for five non-SES employees appointed to MDBA).

**Staffing profile**

### Table 4.4 MDBA staff by employment status as at 30 June 2009

<table>
<thead>
<tr>
<th>Employment category</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ongoing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>110</td>
<td>92</td>
<td>202</td>
</tr>
<tr>
<td>Part-time</td>
<td>1</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>111</td>
<td>106</td>
<td>217</td>
</tr>
<tr>
<td><strong>Non-ongoing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>4</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Part-time</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>9</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>120</td>
<td>115</td>
<td>235</td>
</tr>
</tbody>
</table>

Note: The Chair and the other four part-time members of the Murray–Darling Basin Authority (see page xv) are not included.

### Table 4.5 MDBA staff by job classification and gender as at 30 June 2009

<table>
<thead>
<tr>
<th>Classification</th>
<th>Gender</th>
<th>Subtotal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Public</td>
<td>Female</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Service Level 1 (APS 1)</td>
<td>Male</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>APS 2</td>
<td>Female</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>APS 3</td>
<td>Female</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>APS 4</td>
<td>Female</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>APS 5</td>
<td>Female</td>
<td>26</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>APS 6</td>
<td>Female</td>
<td>28</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>Female</td>
<td>29</td>
<td>67</td>
</tr>
<tr>
<td>(EL 1)</td>
<td>Male</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>EL 2</td>
<td>Female</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Senior Executive Service</td>
<td>Female</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Chief Executive</td>
<td>Male</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>235</td>
<td>235</td>
</tr>
</tbody>
</table>
### Table 4.6 Age profile of MDBA staff as at 30 June 2009

<table>
<thead>
<tr>
<th>Age</th>
<th>Ongoing</th>
<th>Non-ongoing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>9</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>25–34</td>
<td>53</td>
<td>5</td>
<td>58</td>
</tr>
<tr>
<td>35–44</td>
<td>70</td>
<td>3</td>
<td>73</td>
</tr>
<tr>
<td>45–54</td>
<td>53</td>
<td>1</td>
<td>54</td>
</tr>
<tr>
<td>55–64</td>
<td>29</td>
<td>2</td>
<td>31</td>
</tr>
<tr>
<td>65+</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>217</strong></td>
<td><strong>18</strong></td>
<td><strong>235</strong></td>
</tr>
</tbody>
</table>

### Table 4.7 MDBA staff by equal employment opportunity group as at 30 June 2009

<table>
<thead>
<tr>
<th>Category</th>
<th>Ongoing</th>
<th>Non-ongoing</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>114</td>
<td>1</td>
<td>115</td>
<td>48.94%</td>
</tr>
<tr>
<td>Non-English speaking background</td>
<td>33</td>
<td>4</td>
<td>37</td>
<td>15.74%</td>
</tr>
<tr>
<td>Indigenous</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>People with a disability</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0.85%</td>
</tr>
<tr>
<td>Proportion of staff volunteering personal data</td>
<td>95.32%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 4.8 MDBA staff by employment agreement as at 30 June 2009

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Public Service (APS)</td>
<td>208</td>
</tr>
<tr>
<td>Senior Executive Service (SES)</td>
<td>12</td>
</tr>
<tr>
<td>Individual employment contracts (IECs)</td>
<td>9</td>
</tr>
<tr>
<td>Section 24(1) determinations¹</td>
<td>5</td>
</tr>
<tr>
<td>Chief Executive</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>235</strong></td>
</tr>
</tbody>
</table>

Note: The Chair and the other four part-time members of the Murray–Darling Basin Authority (see page xv) are not included.

¹ Determinations under section 24(1) of the Public Service Act 1999 (Cwlth) are written determinations by the Chief Executive in relation to remuneration and other conditions of employment.
Table 4.9 MDBA staff — base salaries by classification as at 30 June 2009

<table>
<thead>
<tr>
<th>Classification</th>
<th>Salary range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Public Service Level 1 (APS 1)</td>
<td>$36,147–$40,464</td>
</tr>
<tr>
<td>APS2</td>
<td>$41,622–$46,592</td>
</tr>
<tr>
<td>APS3</td>
<td>$47,899–$53,494</td>
</tr>
<tr>
<td>APS4</td>
<td>$54,992–$59,742</td>
</tr>
<tr>
<td>APS5</td>
<td>$61,745–$67,955</td>
</tr>
<tr>
<td>APS6</td>
<td>$70,159–$77,217</td>
</tr>
<tr>
<td>Executive Level 1 (EL 1)</td>
<td>$79,556–$92,433</td>
</tr>
<tr>
<td>EL 2</td>
<td>$97,738–$115,187</td>
</tr>
<tr>
<td>Senior Executive Service 1 (SES 1)</td>
<td>$135,198–$161,972</td>
</tr>
<tr>
<td>SES 2</td>
<td>$177,840–$205,165</td>
</tr>
</tbody>
</table>

Note: The salary ranges incorporate salaries under the Collective Agreement, individual employment contracts and section 24(1) determinations under the Public Service Act 1999 (Cwlth) (written determinations by the Chief Executive in relation to remuneration and other conditions of employment).

**Occupational health and safety**

MDBA’s occupational health and safety policies aim to ensure a safe and healthy workplace in line with the requirements of the Occupational Health and Safety Act 1991 (Cwlth). In particular, MDBA strives to provide a safe system of work practices to prevent work-related injuries and illnesses. Under its rehabilitation policy and guidelines, MDBA supports injured and ill employees and provides an early-return-to-work program.

MDBC staff were covered by the Occupational Health and Safety Act 1989 (ACT) and related legislation before transition to MDBA on 15 December 2008. An important focus in 2008–09 was the development of new Health and Safety Management Arrangements in compliance with the requirements of the Commonwealth Occupational Health and Safety Act and related legislation.

A number of seminars were held during the year to improve staff understanding of occupational health and safety in the workplace. Occupational health and safety also continued to be an important focus during the induction of new staff and contractors. Appropriate signage throughout MDBA premises has also been put in place to further improve staff awareness of occupational health and safety issues.

MDBA has an Occupational Health and Safety Committee, which has carried on the work undertaken by the equivalent MDBC committee. There are two designated work groups as defined in the ACT Occupational Health and Safety Act, and health and safety representatives and deputy health and safety representatives for each work group.
MDBA has also put in place a Harassment Contact Officers Group, a First Aid Officers Group and a Fire Wardens Group. Each of these groups reports to the Occupational Health and Safety Committee.

Section 68 of the Commonwealth Occupational Health and Safety Act addresses the requirement for reporting to Comcare accidents or incidents that cause death or serious personal injury or incapacity, or that are otherwise dangerous. This year no such accidents or incidents were reported to Comcare. No investigations were conducted during the year and no notices have been issued under sections 29, 46 or 47 of the Act.

Commonwealth Disability Strategy

Definition: Commonwealth Disability Strategy

The Commonwealth Disability Strategy is a framework for Australian Government agencies to help improve access for people with a disability to government programs, services and facilities. The strategy includes a performance reporting framework built around the five key roles of government: policy adviser, regulator, purchaser, provider and employer.

MDBA’s performance in implementing the Commonwealth Disability Strategy is outlined in Table 4.10.

Table 4.10 Performance in implementing the Commonwealth Disability Strategy, 2008–09

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy adviser role</strong></td>
<td></td>
</tr>
<tr>
<td>Ensure that new policies and information accessible to the public consider the impact on the lives of people with disability</td>
<td>MDBA started developing its first Disability Action Plan, to cover the 2009–11 period. All news from MDBA, including media releases, is available in HTML format on the MDBA website. A plan is in place to increase the accessibility of public information on the website for people with a visual impairment. In addition, specific scientific and technical information can be converted on request into an accessible format for people with a visual impairment.</td>
</tr>
<tr>
<td>Public announcements of new or proposed policy/program initiatives are available in accessible formats for people with disabilities</td>
<td>Information on public announcements is available on MDBA’s website, and on request in various formats.</td>
</tr>
</tbody>
</table>

(continued)
### Performance indicator Results

#### Regulator role

| Ensure that links to relevant legislation are available in accessible formats | The MDBA website provides links to the *Water Act 2007* (Cwlth) in accessible formats. |

#### Purchaser role

| Publicly available information on agreed purchase specifications is provided in accessible formats for people with disability | Procurements valued at $80,000 or more are advertised and are available for download on AusTender, which meets the Australian Government online standards on access for people with disability. |
| Mechanisms are in place to manage risk and occupational health and safety issues including the risks for people with disability | Purchasing activities have an established mechanism in place for managing risk and occupational health and safety requirements. |

#### Employer role

| Ensure that new human resource policies and programs consider the impact on the lives of people with disability | All MDBA employment policies and procedures comply with the requirements of the *Disability Discrimination Act 1992* (Cwlth). Human resources policies include the principle of reasonable adjustment to accommodate the needs of people with disability. |
| Consider the requirements of people with disabilities in recruitment processes | Applicants are requested to advise whether they require accessible formats when preparing their application. Applicants are also asked to advise whether they require special arrangements during the recruitment process. Recruitment and selection activities apply reasonable adjustment to candidates with disabilities. MDBA networked with a disability employment agency in recruiting to fill vacancies. |
| Occupational Health and Safety Plan considers the needs of people with a disability | Assistive furniture was purchased to meet specific occupational health and safety requirements for employees with a disability. |
| Training and development programs consider the needs of people with a disability | Information on disability is covered in training where relevant. Choice of venues for training conducted by MDBA considers the needs of people with a disability. |
| Complaints or grievance mechanisms, including access to external mechanisms, are in place to address issues and concerns raised by staff | The Collective Agreement sets out complete procedures for complaints and grievances. These procedures apply to all employees and situations. |
Legal services

Legal services during the year were provided to MDBA and to the former MDBC primarily by a legal officer seconded from the legal firm Blake Dawson. As part of preparation for transition, MDBA utilised the legal panel established by the Department of the Environment, Water, Heritage and the Arts to assist with the provision of legal support. Following transition, the internal demand for legal services increased and the use of the panel assisted in efficiently servicing that demand.

MDBA implemented a number of important initiatives in relation to legal services during the year including:

- contributing to the development of the *Water Act 2007* (Cwlth), the new Murray–Darling Basin Agreement and the aspects of the Water Regulations 2008 that relate to MDBA, and providing advice to the Department of the Environment, Water, Heritage and the Arts, MDBA staff members and partner jurisdictions on amendments to protocols and schedules to the Murray–Darling Basin Agreement

- introducing new business management systems for obtaining legal services from both internal and external legal service providers to ensure compliance with the Legal Services Directions 2005

- providing advice to all MDBA divisions in relation to program delivery and legislative obligations, including guidance to program areas on the transition of key documents and programs from the former MDBC to MDBA

- developing and implementing a series of seminars for external stakeholders and MDBA staff to increase their understanding of the governance structure under which MDBA operates

- implementing a new delegations instrument under the Water Act

- establishing a new advisory committee structure.

Given the level of legal support required by MDBA, the Executive approved the establishment of an in-house legal team.
Research partnerships

South Eastern Australian Climate Initiative

Understanding climate variability, as well as the longer term climate changes, is critical for the future of water resources, agriculture, communities and the environment across south-eastern Australia. To address this issue, the Murray–Darling Basin Authority (MDBA) led the establishment of the South Eastern Australian Climate Initiative Phase 1 (SEACI 1), which was completed in June 2009. SEACI 1 was established to answer some key questions relating to the causes and impacts of climate change and climate variability across south-eastern Australia.

Key findings of the research are:

- that the current drought in south-eastern Australia has been influenced by the enhanced greenhouse effect
- regional predictions of future climate suggest that south-eastern Australia will become drier and warmer as a result of the enhanced greenhouse effect.

In light of the success of SEACI 1, MDBA successfully negotiated a second phase. SEACI 2 will extend the involvement of MDBA with CSIRO, the Bureau of Meteorology, the Victorian Department of Sustainability and Environment, and the Commonwealth Department of Climate Change. A science plan and funding agreement were formally agreed to by the partners in June 2009.

Murray–Darling Freshwater Research Centre

MDBA has been working closely with the Murray–Darling Freshwater Research Centre, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and La Trobe University to refine the strategic and science plan for the research centre, with the intent of ensuring it is well positioned to provide policy advice that supports the management of aquatic ecosystems in the Basin. The basic ecological knowledge

Developing information and communication resources

Highlights

- Established the second phase of the South Eastern Australian Climate Initiative (SEACI 2).
- Continued a strong partnership with the Murray–Darling Freshwater Research Centre.
- Consolidated spatial assets into centralised repositories.
- Upgraded information and communications technology (ICT) network to meet MDBA requirements.
developed by the research centre will be fundamental in making informed decisions on sustainable diversion limits for valleys as part of the first Basin Plan.

During 2008–09, the research centre has made significant contributions to a range of MDBA endeavours. These include the Sustainable Rivers Audit, The Living Murray, Integrated Basin Reporting, the Basin Salinity Management Strategy, the Native Fish Strategy and the former Northern Basin Program. In addition, the centre has supported MDBA and collaborated with the eWater Cooperative Research Centre in a number of activities. These include developing a decision support tool for water management at Hattah; reviewing the activities of the former Northern Basin Program; completing the Fish Spawning and Recruitment project; and providing ongoing input in the Acid Sulfate Soil Risk Assessment Project, particularly in relation to the Wakool system.

Spatial information management

The collection, collation, and provision of natural resource information is crucial to many aspects of MDBA business. MDBA manages and maintains spatial data assets, coordinates spatial data collection and use, and supports involvement in joint activities with other natural resource management agencies.

In 2008–09, MDBA centralised its fundamental spatial data holdings within its corporate GIS (geographic information system) environment. This resource will be continually enhanced in line with the MDBA’s strategic direction for natural resource information management, providing a platform for the development of future online mapping services.

Considerable effort has been put into consolidating MDBA’s imagery, terrain and bathymetry data holdings acquired from individual projects. (Bathymetry is the survey of underwater topography.) This has enabled MDBA to be an important contributor to national initiatives such as the National Elevation Data Framework and has allowed data investments in the past to be used for current and future requirements. Data and spatial data support services are regularly provided to MDBA programs and to significant MDBA projects.

Information and communications technology

Preparing for, and managing, the transition of information systems and processes from the former Murray–Darling Basin Commission (MDBC) to MDBA was the main priority during the year. Establishing the ICT systems and services for a new Commonwealth agency required a full review of operations, with a focus on system security and compliance with government standards.

Significant achievements during the year included:

- upgrading the firewall system to provide more robust protection of the network
- upgrading and certification of the Internet gateway to a higher level of protection
- implementing a FedLink connection to allow secure communications with other government agencies
upgrading the electronic records management system (TRIM), supported by an extensive staff training program and a comprehensive manual on record management practices and implementation.

- upgrading the desktop operating environment to Microsoft Office 2007, supported by a major staff training program.

- implementing ICT initiatives to improve MDBA’s environmental performance.

To oversee ongoing improvement and developments in ICT, an Information Management Committee was established at the senior management level. The first task for this committee was to start developing an MDBA Enterprise Information Strategy. Significant progress was made on the strategy, which is expected to be endorsed by the Executive in the first quarter of 2009–10.

**MDBC Strategic Plan 2005–2010, Objective 3, Strategy 3.5: Use Council priorities to drive communication, feedback and information delivery activities with stakeholders and communities**

**Communicating with stakeholders and communities**

**Highlights**

- Strong public interest shown in Basin water issues, with key messages being carried by all forms of media across most parts of the Basin.

- New website launched, and received 175,000 hits per month.

- New interactive ‘Water in storages’ website pages launched by the Minister for Climate Change and Water.

- MDBC’s 2007–08 annual report received a silver Australasian Reporting Award.

**Communication and information delivery**

The Murray–Darling Basin Authority (MDBA) continued to make significant efforts in 2008–09 to keep partner governments, water users and the community aware of river operations and water resource issues in the Murray–Darling Basin.

**Media**

Thirty-nine media releases about the Basin were distributed and many interviews given by the Chief Executive. The extent and impacts of the continuing record drought were communicated through two-monthly drought updates, media releases, and through the monthly eLetter, now going out to more than 2,500 subscribers within and beyond the Basin. In addition, information on river operations is released through weekly reports, posted on the home page of the MDBA website at <http://www.mdba.gov.au/>.
Media monitoring confirmed strong public interest in Basin water issues, with key messages being carried by all forms of media across most parts of the Basin. Much of the coverage was provided by regional radio, followed by regional print media and then television. Online news services, while growing in extent, continued to provide fairly patchy coverage.

**Website and publications**

The new MDBA website receives about 175,000 ‘hits’ a month. About 90,000 pages are viewed per month, and the number of visitors averages about 18,000 a month.

New features include interactive ‘Water in storages’ pages (see Figure 4.1, pages 108–109), launched by the Minister for Climate Change and Water in April 2009. At the click of a mouse, maps on these pages clearly and graphically show the volumes of water in public storage, updated weekly; and estimated volumes of water in private storage, water commitments, allocations, and system losses, updated quarterly. The pages brought together a range of inputs requiring data and expertise from the areas of natural resource information, river operations and communications.

This is the first time such information has been available for the entire Murray–Darling Basin from a single source (see <http://www.mdba.gov.au/water/waterinstorage>). The website has been receiving an average of 500 hits per week.

In addition to other new features, such as a new publications ordering system and a new image collection, the MDBA website carried over a number of existing functions from the Murray–Darling Basin Commission (MDBC) website, such as live river data, weekly forecasts and flow and salinity reports. The live river data function provides daily data feeds at 64 points across the River Murray system, enabling river users to access accurate, up-to-date information on storage, flow rates and levels as well as information on water quality, including salinity.

The transition of publication production from the MDBC to MDBA was successfully managed, with centralised production continuing to drive improvements in quality, consistency, and environmental sustainability. The MDBC 2007–08 annual report received a silver Australasian Reporting Award, advancing from the previous year’s bronze award.

**Feedback**

**Service charter**

MDBA will be developing its first Client Service Charter during 2009–10. The charter will set out the standards of service clients can expect and how they can give feedback on our performance.

**Complaints about services**

No formal complaints were received by MDBA or MDBC during the year.
Access and equity

MDBA deals with culturally diverse groups, including Aboriginal peoples. MDBA funds the Murray Lower Darling Rivers Indigenous Nations (MLDRIN), a self-formed and defined confederation of Indigenous groups with responsibilities for their country founded under traditional laws and customs.

MDBA has a collaborative relationship with MLDRIN and funds a large proportion of the organisation’s operational costs to help ensure its capacity to engage with MDBA and other natural resource management agencies. MLDRIN has provided advice on, and helped to develop, the Living Murray Indigenous Partnerships Program, which included close involvement in the introduction of use and occupancy mapping.

Of particular importance, MLDRIN is well positioned to provide strategic advice in its area of the Basin on how best to engage local Indigenous communities in future Basin planning.

MDBA also supports and promotes Indigenous recruitment and career development within the agency.
Figure 4.1 The main ‘water in storages’ map for 24 June 2009, originally produced for the MDBA website. The pie charts clearly show the amounts of water (in blue) in each of the reservoirs and other storages. Launched in April 2009, these maps are updated weekly.
Inset (top left): the ‘water in storages’ website pages also provide information for each catchment. The 24 June 2009 information for the Upper Murray catchment is provided as an example. On the website, there are also links to comparisons of the current water level and the historical average.

Total Volume as at 24th June 2009 = 4146 GL
Total Basin Capacity = 22611 GL
These totals do not include the Lower Lakes

This assessment of water storage does not include water in private storage. Private water storage information is available in PDF format and is updated every 3 months.
Chapter 4

**MDBC Strategic Plan 2005–2010, Objective 3, Strategy 3.6: Ensure effective institutional and governance arrangements are in place**

### Ensuring effective governance

#### Highlights

- Established senior governance committees to oversee MDBA operations.
- Developed the fraud, risk and business continuity frameworks.
- Implemented the Certificate of Compliance system.

#### Senior management committees

**Executive Committee**

The Executive Committee of the Murray–Darling Basin Authority (MDBA) is chaired by the Chief Executive. Its membership is comprised of the executive directors of MDBA’s five divisions: Basin Plan; Natural Resource Management; River Murray; Engagement, Secretariat and Communications; and Corporate Services (also see page xiii).

The Executive Committee is the main forum in which governance requirements are discussed. The committee meets fortnightly and considers the positioning, safeguarding and enabling that is necessary for MDBA to achieve its business outcomes.

During 2008–09, the committee considered the following key issues: strategic and corporate planning and budgets; financial performance; water recovery issues; the risk management framework; provision of delegations under the *Water Act 2007* (Cwlth); workforce planning; the employee Enterprise Agreement; the Project Management Framework; and the Certificate of Compliance framework.

**Information Management Committee**

The Information Management Committee is chaired by the Executive Director Natural Resource Management. Other members are the Executive Director Engagement, Secretariat and Communications; General Manager Assets; and the Chief Information Officer. The committee was established as a subcommittee of the Executive to provide advice and strategic direction in the management of MDBA’s information and communications technology (ICT) needs. It also discusses and endorses all projects with ICT components or impacts.

The committee meets monthly. During the year it considered the following key issues: the Enterprise Information Strategy, ICT security, and standardisation of software and hardware.
Occupational Health and Safety Committee

The Occupational Health and Safety Committee is a subcommittee of the Executive and is chaired by the General Manager Assets. Its membership is comprised of the health and safety representatives for MDBA’s two designated work groups; a representative of the Workplace Consultative Committee; the Director People, Planning and Performance; the Chief Fire Warden; and the Occupational Health and Safety Coordinator.

The committee is established in accordance with the *Occupational Health and Safety Act 1991* (Cwlth) and meets quarterly. The committee is an integral part of MDBA’s Health and Safety Management Arrangements. In 2008–09 it considered a range of health and safety issues including the new Health and Safety Management Arrangements; reporting on workplace incidents and injuries; appointment of health and safety representatives; linking with first aid officers, fire wardens and harassment contact officers; and ensuring staff awareness of health and safety issues.

Human Resource Management Committee

The Murray–Darling Basin Commission’s Human Resources Committee was chaired by the General Manager Corporate Services and its membership was comprised of the Director People, Planning and Performance, the Human Resources Coordinator, and two representatives of the Workplace Consultative Committee. During the period before transition, the prime role of the committee was to review a range of revised policies and procedures before submission to the Executive for approval.

During 2009–10 the committee will be restructured as a subcommittee of the Executive to provide strategic advice on human resources management issues covering workforce planning, performance management, learning and development, workplace relations, and recruitment.

Business Managers Committee

The Business Managers Committee is the MDBA governance body responsible for planning and coordinating cross-divisional issues to facilitate the implementation of MDBA’s business. It is comprised of all business managers at Senior Executive Service Band 1 level and Executive Level 2 who report directly to the executive directors, and one executive director (on a six-monthly rotational basis).

The committee is focused on carrying out the business of MDBA, in particular on identifying appropriate management strategies for cross-divisional issues, and ensuring there is adequate communication to ensure an integrated team. The committee also provides support as required to the Executive Committee.

Audit Committee

The Audit Committee reports to the Chief Executive and is chaired by the Executive Director Basin Plan Division. Its membership is comprised of an independent Deputy Chairman (Mr Paul McGrath), the executive directors of the River Murray Division and the Corporate Services Division, and the General Manager River Environmental Management. The committee meets quarterly.
Chapter 4

The objective of the committee is to provide independent assurance and assistance to the Chief Executive on the integrity of MDBA’s financial data and processes; its risk, control and compliance framework; and its external accountability responsibilities. In particular the committee ensures that MDBA:

- has a sound internal control framework, including effective identification and management of business risks, with supporting procedures in place
- has an appropriate fraud control plan and supporting procedures
- has reliable financial and management reporting systems
- ensures clearance of financial statements
- ensures compliance with applicable laws, regulations and government policies
- maintains an effective and efficient audit service.

In 2008–09 the committee considered a range of governance issues relating to the transitional arrangements between the former MDBC and MDBA, as well as risk management, fraud risk management, business continuity, the internal audit work plan, the Certificate of Compliance framework and internal audit reports, actions and recommendations.

**Workplace Consultative Committee**

The Workplace Consultative Committee is the key mechanism for employee consultation and involvement in the review and development of policies and procedures linked to employee conditions and employment. Membership is comprised of six elected employee representatives.

**Risk management**

The effective management of risk is a key component of MDBA’s planning and review systems. Effective risk management is recognised as fundamental to good corporate governance and sound management practice. The Audit Committee monitors key risks and supervises the development of policies and procedures for risk management.

Under the transitional provisions, the risk management arrangements applying to MDBC were carried over to MDBA until replaced by new arrangements. A detailed organisational risk assessment has been undertaken and a risk management plan prepared. The plan focuses on risks that affect the achievement of key corporate objectives and risks that affect most, if not all, MDBA functions and processes. Each identified risk was assessed by consequence, likelihood and effectiveness of existing control measures. Additional risk mitigation activities were proposed where appropriate, aimed at reducing risks to acceptable levels.

The risk management plan and the implementation of associated treatments are to be considered by the Audit Committee at each of its meetings.

Training in risk management was conducted for staff and managers. Further targeted training and upgrading of induction processes is planned for 2009–10. Training and
information in relation to the Australian Public Service Values and Code of Conduct and the Australian Public Service Commission Ethics Advisory Service was also provided.

MDBA’s insurable risks have been identified as part of Comcover’s insurance renewal process and will be reassessed annually. MDBA received a 4.8% discount on its Comcover premium following the completion of Comcover’s annual Risk Management Benchmarking Survey in March 2009. Comcover has assessed MDBA’s overall risk performance to be satisfactory in the implementation of an enterprise-wide risk management framework. MDBA is covered by Comcare for risks associated with injury to employees.

**Fraud control**

Under the transitional arrangements, the MDBC Fraud Risk Assessment and Fraud Control Plan 2007–09 were carried over to MDBA until new arrangements were developed. MDBA undertook a detailed fraud risk assessment and developed a fraud control plan in 2009. The 2009–11 Fraud Risk Assessment and Fraud Control Plan and associated treatments and actions will be monitored at each of the Audit Committee’s meetings.

A program of fraud awareness training was undertaken by MDBC before transition and continued by MDBA. Further targeted training and upgrading of induction processes is planned for 2009–10.

There were no cases of suspected fraud during 2008–09.

**Business continuity and ICT disaster recovery plans**

MDBC arrangements in relation to business continuity and disaster recovery were also carried across to MDBA.

Following transition, MDBA undertook a business impact assessment and started developing a Business Continuity Plan, an ICT Disaster Recovery Plan and a Business Continuity Policy.

The Business Continuity Plan will describe the arrangements to ensure the continuity of MDBA’s key services after a significant, unexpected and disruptive incident (such as a fire). It will also describe MDBA’s management structure; staff roles and responsibilities; criteria for activation; procedures to continue core business activities and manage the recovery from emergencies, disasters and other disruptive events; and maintenance procedures. The pandemic section of the plan was approved in May 2009 and was used to guide MDBA’s actions during the swine influenza outbreak.

The ICT Disaster Recovery Plan will provide recovery procedures to address the potential loss of critical ICT resources (e.g. hardware, data and voice network equipment, critical business data and critical business systems).

Both plans are expected to be approved in the first quarter of 2009–10. Once in operation they will be regularly reviewed, monitored by the Audit Committee, and updated as necessary.
Chapter 4

Internal Audit

Internal audit services during the year were provided by Ernst & Young.

The 2008–09 Internal Audit Plan was developed after consideration of MDBA’s strategic risks and following discussions with senior managers. There was a particular focus during the year on the corporate risks associated with the establishment of a new agency. Internal audits conducted during the year covered:

- Financial processes
- Certificate of Compliance processes (relating to compliance with the Australian Government financial management framework)
- Compliance with Commonwealth Procurement Guidelines
- Compliance with Legal Services Directions
- MDBA’s financial reporting and budget management framework
- Employee benefits.

Two audits begun in the former MDBC were completed by MDBA due to ongoing relevance. These involved reviews of procurement and management of statutory taxes.

The audits found a strong and positive attitude to internal control and identified matters that require a continued focus, including training and documentation of procedures in relation to procurement and treatment of goods and services tax and fringe benefits tax, acquittal of credit cards and travel, and development of Certificate of Compliance procedures for the new MDBA.

A number of recommendations were made in relation to the completed audits but no serious control breaches were identified.

The Audit Committee monitors the implementation of report recommendations through regular status reports.

Certificate of Compliance

As part of MDBA’s governance framework, an online Certificate of Compliance system was implemented in 2009. The system underpins the certification that the Chief Executive must provide by 15 October each year to the Minister for Climate Change and Water and the Minister for Finance and Deregulation, of the agency’s compliance with the Australian Government’s financial management framework.

The certificate is completed by all staff who hold financial delegations and all senior executives to ascertain compliance during the financial year with the following:

- Financial Management and Accountability Act 1997
- Financial Management and Accountability Regulations 1997
- Financial Management and Accountability Orders 2005
- Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2007 (No. 2) as amended from time to time
● Australian Government’s foreign exchange risk management requirements
● legal and financial requirements for the management of special accounts
● the financial management policies of the Commonwealth.

The system also allows for the identification of compliance with internal procedures and policies, and areas for potential streamlining of internal processes.

**External scrutiny**

**Auditor-General reports**

The Auditor-General did not table any specific reports that examined program delivery by MDBC or MDBA during the year.

MDBA reviews all cross-agency reports issued by the Auditor-General; where the reports are assessed as relevant to MDBA operations, practices and procedures are reviewed in line with the recommendations contained in the reports. A key responsibility of the Audit Committee is to oversee the implementation of the recommendations contained in these reports.

**Commonwealth Ombudsman**

There were no formal reports from the Commonwealth Ombudsman in relation to MDBA during the year.

**Parliamentary committees**

During 2008–09, MDBA gave evidence at three inquiries conducted by parliamentary committees — all by the Senate Standing Committee on Rural and Regional Affairs and Transport.

This committee conducted a hearing into the long-term sustainable management of the Murray–Darling Basin, and released the report resulting from this inquiry on 25 June 2009. It recommended that the Commonwealth work towards a full and unconditional referral of powers relevant to the management of the Murray–Darling Basin and, in the absence of such full referral, consider other options to provide for complete federal management. It also recommended that the Basin Plan be implemented in accordance with the current arrangements in the *Water Act 2007* (Cwlth), although efforts should be made to expedite the end of transitional arrangements to achieve the full implementation of the Basin Plan as soon as possible.

On 21 November 2008, the committee released a report on the Water Amendment Bill 2008. The committee concluded that the Bill would enable water resources in the Murray–Darling Basin to be managed in the national interest, optimising environmental, economic and social outcomes. Further, the committee found that the Bill represents the basis for the long-term reform of water management in the Murray–Darling Basin.
The committee also conducted a hearing into water management in the Coorong and Lower Lakes (including consideration of the Emergency Water (Murray–Darling Basin Rescue) Bill 2008). It released its report on 10 October 2008. With respect to the management of the Coorong and the Lower Lakes, the committee concluded that, while not ideal, the effects of introducing sea water would be ‘less dramatic’ than the problems posed by acidification.

**Judicial decisions and decisions of administrative tribunals**

There were no judicial decisions or decisions of administrative tribunals relating to MDBC or MDBA during the year.

**Freedom of information**

Two freedom of information (FOI) requests were received during 2008–09. One request sought information not held by MDBA and the second sought publicly available information.

The *Freedom of Information Act 1982* (Cwlth) gives individuals the right to view documents held by Australian Government ministers and agencies, with some exceptions. Under section 8 of the Act, MDBA is required to report on:

- our organisation and functions (for more information see pages xi–xvii and 110–115)
- arrangements for outside participation (see below)
- the types of documents we hold (see below)
- our FOI procedures, facilities and contact details (see below).

**Documents we hold**

The types of documents we hold include:

- representations to the Minister for Climate Change and Water on various aspects of government activity
- working files, including correspondence, analysis and advice
- internal administrative records, such as personnel files, staffing and financial records and office procedures
- papers relating to new and amending legislation, drafting instructions and draft legislation
- briefing papers and submissions prepared for the Minister for Climate Change and Water
- documents relating to meetings and committees (such as agendas, minutes and reports)
- copies of questions asked in Parliament, together with related replies
- tender documents
- government (including agency) policy statements, communiqués, guidelines, and media releases
● contracts
● educational materials
● reports on research, water audits and MDBA activities
● spatial data and water modelling information.

Arrangements for outside participation
MDBA consults members of the public and bodies outside the Australian Government’s administration when developing policy and programs, and administering legislation. In addition to general public consultation, MDBA receives advice from various committees and other bodies.

Generally, people can participate by making oral or written representations to MDBA. Several formal arrangements under the Water Act 2007 (Cwlth) exist to facilitate input from Basin states, members of the public and other bodies.

How to lodge a freedom of information request
If you want to view one or more documents, you must send us a request in writing — by mail, fax or email. You need to provide an address in Australia where we can send notices under the Freedom of Information Act, and you also need to include:

● the $30 application fee (a cheque or money order made out to the Murray–Darling Basin Authority)
● as much detail as possible about the document(s) you want to access
● a phone number in case we need to clarify your request.

If your request is approved, you will be provided with either a copy of the document(s) or the opportunity to inspect them at our Canberra office. Copying charges may apply.

More information
For more information, contact our Freedom of Information Coordinator in one of the following ways:

Mail:
FOI Coordinator
Murray–Darling Basin Authority
GPO Box 1801
Canberra ACT 2601

Email: foi@mdba.gov.au

Phone: 02 6279 0452

Fax: 02 6248 8053

Directions under section 175 of the Water Act
There have been no directions given by the Minister for Climate Change and Water under section 175 of the Water Act 2007 (Cwlth).