

## **Murray–Darling Basin Water Ministers meet in Canberra.**

**30 November 2012**

The Murray-Darling Basin Ministerial Council met today in Canberra to consider a range of Basin management issues and to discuss next steps in the progressive implementation of the new Murray-Darling Basin Plan.

The Ministerial Council comprises the Chair, the Hon Tony Burke MP (Commonwealth); the Hon Katrina Hodgkinson MP (New South Wales); the Hon Peter Walsh MP (Victoria); the Hon Paul Caica MP (South Australia); the Hon Andrew Cripps MP (Queensland) and Mr Simon Corbell MLA (Australian Capital Territory).

Today's meeting comes shortly after last week's decision by the Commonwealth Minister for Sustainability, Environment, Water, Population and Communities, the Hon. Tony Burke MP, to adopt the Murray-Darling Basin Plan, which commenced on 24 November 2012.

Council acknowledges that the Basin Plan was finalised after taking into account its consensus advice under Section 43A of the *Water Act 2007*, (the Act), and on suggestions made by Minister Burke under Section 44 of the Act following consultation with all Basin jurisdictions. In particular, the Basin Plan incorporates Ministers' suggestion of a mechanism to provide greater flexibility in the volume of water recovered for the environment, while improving environmental, social and economic outcomes.

Ministers acknowledged the constructive role played by industry and environmental organisations, local government and the wider community in the process of developing the Basin Plan.

To give effect to the Basin Plan and related reforms, Ministers discussed a new inter-governmental agreement on the implementation of Murray-Darling Basin reforms. An update on matters expected to be covered in the agreement is provided at [Attachment A](#), noting that a number of substantial issues are still to be resolved.

Ministers also noted the progress on the Review of the Arrangements for Murray-Darling Basin Joint Activities including the final review terms of reference and the implications of funding pressures on the joint funded programs administered by the Authority. Ministers asked the Review Taskforce to continue to explore options for effective delivery of joint activities including River Murray assets and operations and options for alternative governance arrangements.

The Taskforce will report to Basin Officials Committee in mid-December and to Council on its findings by March 2013.

Basin Ministers have today endorsed the release of the second Sustainable Rivers Audit (SRA) Report and supporting information. This second report covers the final years of the millennium drought from 2008 to 2010 and presents a report card on river ecosystem health based on observations of fish, macroinvertebrates, vegetation, physical form and hydrology for the period.

Ministers also endorsed the release of a report on the implementation of The Living Murray initiative through 2011-2012, and a further independent audit of its implementation. The auditors made a range of recommendations across a range of areas, and overall found that The Living Murray portfolio was efficiently managed through 2011-12. The auditors also reported that as of 30 June 2012, 479.9 GL of the targeted 500 GL of water, (*long-term 'cap' equivalent*), had been recovered under The Living Murray.

Ministers were informed that inflows to the River Murray system have been slightly above average and water availability has improved since June 2012 with high storage volumes overall. This is welcome news for irrigators throughout the Basin, who had previously endured prolonged dry conditions. Environmental water continues to be used to support ongoing recovery from the drought.

High water storage levels combined with steady progress in the recovery of environmental water for the environment means that overall environmental water use this water year could reach record levels.

Ms Joan Burns, Chair of the Basin Community Committee, provided Ministers with an update on the activities of the Committee. Ministers noted the second term of the (BCC) would be re-aligned to begin with the implementation phase of the Basin Plan in 2013.

**Attachment** - Statement from Murray-Darling Basin Ministerial Council on Progress Towards a Collaborative Approach to Basin Plan Implementation

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## **Attachment A**

### **Murray-Darling Basin Ministerial Council**

#### **Joint Information Statement**

Governments of the Commonwealth and of the Murray-Darling Basin States of New South Wales, Victoria, Queensland and South Australia and the Australian Capital Territory acknowledge the making of the Murray-Darling Basin Plan by the Commonwealth Minister for Water, the Hon Tony Burke MP, on 22 November 2012 and its commencement on 24 November 2012.

Noting that substantial outstanding issues remain, Basin governments are preparing a new implementation agreement to give effect to the Basin Plan and related reforms that is expected to contain the following elements:

- Arrangements necessary to support delivery of the Commonwealth's commitment to 'bridge the gap' to Basin Plan Sustainable Diversion Limits (SDLs), thereby ensuring that individuals' water entitlements will not be eroded or compulsorily acquired as a result of the Basin Plan.
- Commonwealth funding associated with additional costs to be incurred by Basin States in implementing the Basin Plan, and funding of measures under the SDL Adjustment Mechanism and Constraints Management Strategy.

- Commonwealth funding to address the socio-economic impacts on Basin communities that will need to adjust to a future under which less water will be available for food and fibre production.
- Collaboration to manage environmental water to best achieve Basin Plan environmental outcomes, and arrangements to ensure that the rights associated with entitlements for environmental use will not to be diminished over time.
- Joint government arrangements to support the operation of the SDL Adjustment Mechanism that provide for:
  - a. development and implementation of environmental works and measures, and improvements to river operations, that secure environmental outcomes equivalent to those in the Basin Plan but with less held environmental water;
  - b. development and implementation of agreed measures to remove or relax flow constraints and allow more effective use of environmental water, and
  - c. recovering additional environmental water in ways that ensure neutral or beneficial socio-economic outcomes.
- Strengthened involvement of local communities in implementing the Basin Plan;
- A transition path for implementing SDLs from 2019 to secure state water planning and management during the interim period and accreditation of new state Water Resource Plans.
- A new work program on science and knowledge, including continuing assessment of social and economic impacts.

In consideration of these issues a draft Inter-governmental Agreement for these purposes will be negotiated and ultimately be referred to First Ministers.

It is anticipated that the Inter-governmental Agreement would also include a protocol setting out the processes for the development of projects for the SDL adjustment mechanism and for managing constraints.

The protocol would enable the Commonwealth or any Basin State Government to propose a project or measure that would potentially lead to an SDL adjustment. Under the protocol, all proposals would be assessed through a joint government process led by the Basin Officials Committee (BOC).

As provided for in the Basin Plan, the SDL adjustment mechanism will consider:

- Proposals to increase SDLs and hence reduce the volume of water required to be recovered for the environment, which must deliver the same or improved environmental outcomes with less water and may include physical environmental works projects and changes to river operating rules. Implementation of these measures would be funded by the Commonwealth up to the market value of the SDL 'offsets' generated.
- Proposals to decrease SDLs and hence increase the volume of water to be recovered for the environment, which must have either a neutral or beneficial socio-economic impact and may include projects such as on-farm efficiency works funded by the Commonwealth's additional \$1.77b commitment.

For projects that reduce the volume of water required to be recovered for the environment, the project's feasibility, costs, environmental impacts, third party impacts and potential SDL

adjustment outcomes would be progressively proved-up to the satisfaction of BOC via a phased assessment process between now and December 2015.

The assessment process will also consider and prioritise projects to remove or relax flow constraints, having regard to the Constraints Management Strategy that will be developed by the Murray-Darling Basin Authority (MDBA) over the next 12 months, and noting that constraints measures will also be funded under the Commonwealth's additional \$1.77b commitment.

Public consultation will be an important feature of the process, as will consideration of any potential third party impacts, noting the Commonwealth will not be compulsorily acquiring land or easements as a result of the Basin Plan.

The MDBA will provide technical assistance to Basin jurisdictions throughout the assessment process, including by providing preliminary advice on overall SDL adjustment outcomes that could be expected from assessment against the criteria in the Basin Plan.

On completion of the assessment process, BOC will submit a package of proposed adjustment measures and constraints measures to the Murray-Darling Basin Ministerial Council for approval.

Once the Murray-Darling Basin Ministerial Council has agreed the final packages of constraints measures and adjustment measures, a consolidated package of adjustment initiatives will be presented to the MDBA by 31 December 2015 for formal operation of the SDL adjustment mechanism.

In accordance with the requirements of the Basin Plan, the MDBA will then formally propose an SDL adjustment based on the adjustment projects proposed by the BOC, and, seek public comment on the proposed adjustment. The MDBA must also seek and consider BOC advice on the proposed adjustment.

Following consideration of public comment and BOC advice, the MDBA will finalise a notice of the SDL adjustment for decision by the Commonwealth Minister. Once an SDL adjustment has been adopted, it will be tabled in the Parliament as a disallowable instrument.

To support all of this work, the BOC and the MDBA will jointly prepare a work program commencing in 2013 which will identify all SDL adjustment measures that will be subject to assessment, identifying for each measure:

- its stage of development, by reference to the assessment phases;
- a preliminary cost estimate;
- any dependencies with the removal or relaxation of system constraints;
- expected timing of progression through other phases;
- estimated SDL effects;
- the relevant parties for the project.

The Work Program will be updated and tabled at each meeting of the MDB Ministerial Council, and published on the MDBA website.

30 November 2012

