

Murray–Darling Basin Authority
Meeting 99 – 7 June 2016
Minutes

Members in attendance

The Hon Neil Andrew (Chair); Ms Di Davidson; Mr George Warne; Professor Barry Hart; Ms Susan Madden; and the MDBA Chief Executive, Mr Phillip Glyde.

Supported by relevant agency staff.

Agenda item 1: Opening of meeting, disclosure of interests and apologies

1. The Chair opened the meeting open at 8.03 am.
2. No material interests on the agenda items were noted.
3. It was noted that the Authority Members should review the Conflict of Interest register, which was available at the meeting. Members were advised that the register is provided to the Minister and is due for update in July 2016.
4. The Authority **noted** the opening remarks by the Chair.

Agenda 2: Adoption of Draft Agenda

5. The Authority **adopted** the agenda for the meeting.

Agenda Item 3: Confirmation of Minutes of MDBA 98

6. The Authority confirmed the Minutes of MDBA 98 held on 3 May 2016.
7. The Authority requested that in future, the Minutes be made available to members earlier.
8. The Authority **agreed** Minutes should be available on the MDBA website once approved.

Agenda Item 4: Chair's report – Mr Neil Andrew

9. Mr Andrew noted that the next meeting is the 100th meeting of the Authority, which will coincide with the 45th Parliament.
10. The Chair commented on the change in mood across the Basin over the last 18 months, noting a recognition that water security is a matter of acute national concern.
11. The Chair Ms Davidson met the Nature Foundation of South Australia, subsequently visited Riversleigh Station and had a separate flight over the Riverland, where he witnessed the effects of salinity. He also attended the Water Planners Forum, in Goolwa and was pleased with the cohesive approach.
12. The Chair met with Ms Karlene Maywald who talked about the need for the history of the Murray–Darling Basin to be written. It was noted that this is currently being prepared by Mr Chris Guest.
13. The Chair and Mr Glyde also met with Ms Di Bowles, Basin Community Committee (BCC) member and board member of the North Central Catchment Management

Authority, to discuss issues concerning the dairy industry, which saw a positive discussion with concerns about the impacts of the Basin Plan being addressed.

14. The Chair had positive discussions on constraints projects with Ms Louise Burge from Murray Irrigation in Deniliquin. He also attended the Riverina and Murray Regional Organisation of Councils (RAMROC) meeting in Deniliquin, noting the main concern for RAMROC relates to the recent council amalgamations. He received encouraging messages on the way forward for the MDBA.
15. Mr Warne noted dairy farmers in the Goulburn–Murray are pushing for changed water trade rules, particularly bans on inter-valley trade and borrowing options from the Commonwealth Environmental Water Holder and Victorian Environmental Water Holder.
16. Professor Hart expressed concern about the likelihood of water plans being provided in time.
17. The Authority **noted** the Chair's report.

Agenda Item 5: Basin Community Committee Chair's report – Mr Rory Treweeke

18. Mr Treweeke, Chair of the BCC, provided an update, including reports from himself and Mr Jason Wilson.
19. Mr Treweeke noted that BCC members are among those who are involved in the dairy industry action of late.
20. He attended the recent Water Planners Forum, noting unease from some planners about the difficulty of gaining senior management attention to the water planning task.
21. He commented that the blue-green algae outbreak has finally started to dissipate. It was a tropical species, not seen in the southern Basin before. Professor Hart requested the MDBA improve communication about the risk of toxicity and the nature and cause of blooms.
22. Mr Treweeke noted that he attended a stimulating Scenario Planning workshop organised by the MDBA.
23. He commented that the recent rain event provided much needed moisture for planting, and that catchments are wetter, but there is not enough inflow into the system to reach Menindee.
24. He advised that he is working with the MDBA's consultants on the northern Basin studies, providing local input. Similarly, he is involved in work on the CSIRO's LiDar model, which is progressing with landholder input.
25. The Authority **noted** the BCC Chair's report.

Agenda Item 6: Northern Basin Advisory Committee Chair's report – Mr Mal Peters

26. The Chair welcomed the NBAC Chair, Mr Mal Peters who provided a verbal update via teleconference.
27. Mr Peters commented on the Smart Rivers report by Lee Benson and Owen Droop, noting that he is interested in the MDBA's response to the report. Mr Glyde requested that Mr Brent Williams and Dr Peta Derham provide the MDBAs feedback to the NBAC. It was noted that the Lower Balonne Working Group and the NBAC Environmental Science Working Group would meet on 7 June 2016 to discuss the report with independent reviewers.
28. He queried the relationship between modelled outcomes and the real world operations of the river, noting the concerns of stakeholders and some NBAC members that the

modelled outcomes could not be achieved in the real world. He noted that the MDBA had not resolved this issue to the satisfaction of some stakeholders. Mr Glyde suggested that a meeting with Ms Jon-Maree Baker and others be arranged to discuss the 'Monte Carlo' modelling approach sought by NBAC members and to work through the results of that modelling work and its implications for water recovery.

29. Mr Peters noted that the Northern Basin Advisory Committee Advice report is progressing well.
30. He noted the immediate need to address the protection of environmental waters. Mr Glyde suggested that the Northern Basin Review consultation material will need to contain a clear explanation of alternative approaches to the protection of environmental water and be provided to Mr Peters and NBAC for comment.
31. Mr Peters advised that the greatest risk to finalising the Northern Basin Review (NBR) is the delay with the socio-economic work. He raised his concern with the community profiles and that they demonstrate that the MDBA did not understand what is happening in the northern towns. He added that he had provided an email to Mr Glyde and others, identifying what could be done. He advised that the NBAC Socio-Economic Working Group is working through the 21 community profiles and that they would require further work before they are used for the Phase 2 engagement tours.
32. Mr Glyde advised that the Northern Basin Review would need to be delivered to the Minister in September, noting that it has already been delayed. As such, it will be necessary to proceed with what is currently available. Members recommended an executive summary be written to accompany the profiles and that they receive urgent editing or rewriting.
33. Mr Glyde noted that NBAC's toolkit work is an ongoing and important piece of work and that the ideas contained within the toolkit would be discussed with the community during the Phase 2 consultation process.
34. It was highlighted that the next meeting of the NBAC should be held before the Phase 2 engagement tours commence on 11 July 2016, in order to inform Authority Members about the engagement messages. It was tentatively agreed to move the meeting to 6 July 2016 and to additionally invite Mr Chris Joseph from the BCC as he is also a resident of the northern Basin, noting that Mr Treweeke usually attends NBAC meetings as a guest.
35. The Authority **noted** the NBAC Chair's report.

Agenda Item 7: Authority members updates

36. Mr Andrew invited members to provide a verbal update of their recent activities.
37. Ms Davidson attended the Water Planners Forum in Goolwa and participated in a northern Basin tour of Moree, Goondiwindi, Boobera Lagoon and Texas.
38. She presented to the University of SA and the University College of London. She observed that some farmers who have sold their permanent water with the intention of using temporary water, are finding it too expensive, resulting in some wanting to leave the industry.
39. Professor Hart attended the Scenario Planning workshop, noting that it was worthwhile and useful to have agency staff attend. He requested the MDBA maintain a watching brief on this. He is presenting at National Climate Change Adaptation Research Facility conference on 6 July 2016 with Mr Ian Neave and Mr Tony McLeod, to discuss where the Basin Plan is going and the implications of maintaining security of entitlements given likely changes in water availability.

40. Mr Warne attended the Irrigation Association of Australia conference, commenting that the northern Basin climate modelling is very messy. He noted that SunRice is offering forward contracts for rice at very attractive pricing for the first time in 50 years.
41. Ms Madden met with northern NSW irrigators who expressed concern regarding reconciliation between water recovery targets, transfers and holdings. She participated in a recent northern Basin tour of Warren, Narromine and Nyngan. She suggested that a document would be useful outlining roles and responsibilities for those engaged in Basin Plan implementation.
42. The Authority **noted** Members' updates.

Agenda Item 8: Chief Executive's report – Mr Phillip Glyde

43. Mr Glyde provided an update and noted that during the tours of the northern Basin, he was struck by a lack of understanding about the work and the goals of the MDBA and that more background context was required in many cases. He noted that the younger generation tends to be more positive and want to move forward compared to older generations of farmers.
44. He had a positive meeting with Mr Terry Korn, Chair of the Australian Floodplain Association.
45. He reported the development of new meeting guidelines into the terms of reference for MDBA committees. Members agreed that meeting protocols be included in the terms of reference for all MDBA committees.
46. He discussed the importance of maintaining the security of papers going to the Authority and sought agreement as to how members received papers. It was agreed that papers be provided via AsdeqDocs and GovDex or mail, not via personal email unless it was an MDBA email address.
47. Mr Warne requested information on new deadlines with the change of the *Water Act*. It was noted that this would be addressed at Authority 100 in July.
48. Ms Davidson queried the MDBA's involvement in education and requested more information on staffing levels and how results and effectiveness are measured. It was noted that the MDBA's role in this area is specified in cl 172e of the *Water Act* and that the Murray River operational program has had a connection with education for the last 20–30 years, and has achieved big outcomes for a small investment. Mr Glyde requested that an update on the resourcing and activities of the education section be included as a future agenda item.
49. The Authority **noted** the Chief Executive's report.

Agenda Item 9: Ms Simonetta Astolfi, Probitiy Advisor

50. The Chair introduced Ms Astolfi, noting her considerable achievements in the area of governance.
51. Ms Astolfi reminded Authority members about their obligations and the effect of their work on confidence among stakeholders. She commented that corporate governance is often what stakeholders look to for confidence in an organisation. There are three key elements to a well-functioning organisation – trust, confidentiality and identifying and managing conflicts of interest:
 - trust between members and of stakeholders and that they are pulling in the same direction,

- confidentiality is a component of trust – even if papers are not marked as such, they should be treated confidentially and not shared outside the Authority, and
 - perceptions of conflicts arise wherever others might think interests will affect thinking, and she emphasised that perceptions are reality.
52. She noted the current focus on conflict of interest by the Australian National Audit Office in recent audits and recommended that members declare any interests even if they do not seem necessary.
53. It was noted that the Register will be provided to each member to update, if required, and that this should take place at the beginning of each financial year before the declarations are sent to the Minister.
54. The Authority **noted** the discussion with Ms Simonetta Astolfi about their conflict of interest responsibilities.

Agenda Item 10: Water Resource Planning

55. The Chair welcomed Mr Mike Makin, General Manager, Water Resource Planning and his team. Mr Makin advised that the Warrego–Paroo–Nebine Water Resource Plan (WRP) is running two weeks behind as the MDBA is waiting for Queensland to respond to comments provided. A final plan is expected to be brought to the next meeting for decision by the Authority.
56. He noted that comments from the Northern Basin Aboriginal Nations (NBAN) resulted in an improved process. The Authority Members observed that the comments were not reflected in the recommendation. It was suggested that the chairs of the Murray Lower Darling Rivers Indigenous Nations (MLDRIN) and NBAN be invited to a future Authority meeting to discuss their experience of the development of the WRPs.
57. He advised that the ACT is thought to be going to public consultation in relation to their water resource plan, but when that is to occur is not known. He commented that the ACT had not responded to the comments the MDBA provided on the document. The MDBA has provided assistance to the ACT to help in the development of its WRP.
58. The Authority discussed concerns about the capability and willingness of jurisdictions to complete their WRPs and requested the MDBA Executive work with senior officials, the Department of Agriculture and Water Resources (the chair of the Basin Officials Committee), the Minister and industry to encourage appropriate action. It was agreed that the MDBA could develop a strategy for engaging the States to assist them with completing their WRPs.
59. Professor Hart asked about the Aboriginal protocols mentioned in the advice provided by NBAN in Attachment A of agenda item 10. The Authority requested that these protocols be sourced from NBAN and provided to the MDBA.
60. The Authority **noted** the update on the progress of the Water Resource Plans.

Agenda Item 11: SDL Adjustment

61. The Chair welcomed staff from the sustainable diversion limit (SDL) team.
62. Mr Makin reminded the Authority that the MDBA has a number of responsibilities under the *Water Act*, Basin Plan and Intergovernmental Agreement (IGA) with regards to the SDL adjustment mechanism. Under these responsibilities, the MDBA will operate the SDL adjustment mechanism in accordance with the method set out in Schedule 6 of the Basin Plan as soon as practicable after notification (by the Basin Officials Committee) of the final package of measure.

63. Mr Makin reported that the notification had been provided, which included the business cases and that they have advised the States that a first cut of the modelled package should be available in November. The final modelled package would be completed by the MDBA in April 2017.
64. It was noted that States have to nominate a re-allocation of the shared reduction in SDLs by 30 June 2016. Mr Makin advised that some jurisdictions did not realise this was the case, although it is in the Basin Plan and it was also discussed at the technical working group chaired by Dr Peta Derham, where it was noted that if nominations were not forthcoming, it would not be possible to advise Ministers about the effects of the measures on the overall SDL.
65. The Authority worked through some of the specifics about particular SDL adjustment projects. Mr Makin advised that Nimmie Caira has been excluded from the projects, because too much water is lost across the floodplain, though further work is being done on how to optimise the operating strategy. Issues that have come up include jurisdictions wanting to ignore the third party impacts. The Authority commented that this publically available list of notified adjustment measures does not include water savings per project. Members were advised that this information is available in the Stocktake report, which would be forwarded to members.
66. The scale of recovery likely to still be required by jurisdictions will be revealed through the next modelling stage. It was recognised there is now more pressure to include complementary measures rather than offsets.
67. Jurisdictions have been advised that if Pre-requisite Policy Measures (PPM) are not provided by 30 June 2016, the benefit noted will be zero for the SDL adjustments, including in situations where the PPM has been notified but there are corollary impacts from other PPMs that have not been notified. The Chair commented that post-election, a meeting with the incoming Minister should be arranged to discuss issues around SDLs and WRPs.
68. It was noted that a modelling scenario based on natural cues has been developed which hinges on constraints being relaxed. This would see water released from upper tributary dams when rainfall events occur, resulting in a piggy-backing of water, leading to increased environmental benefits.
69. The Authority **noted** the update on the progress of the SDL adjustment mechanism.

Agenda Item 12: Dry inflow contingency planning

70. The Chair welcomed Mr David Dreverman and Dr Joe Davis.
71. The Authority considered the draft report, on lessons learned from the Millennium drought, noting that it would be useful to develop a journal article for inclusion in the peer reviewed literature.
72. It was acknowledged that one of the lessons (the environment suffered disproportionately to irrigators), was a sensitive one. It was noted the period in question was pre-Basin Plan. It was considered desirable to include additional text in this section to recognise the difficulties imposed on irrigators by the drought.
73. It was noted that some current water allocation decisions do not reflect the lessons that should have been learnt from the Millennium Drought. Mr Dreverman noted that because good policies have placed the system in a better position than previously, some States are taking risks in setting allocations should the dry conditions continue.
74. Authority members noted the inconsistency of the security of carry-over water between jurisdictions. Members also noted that if a dry series occurs again it will likely be worse than the past.

75. It was noted that in the event of a severe drought the Commonwealth Environmental Water Holder (CEWH) would not have enough water to mitigate acidification in the Lower Lakes.
76. The Authority **noted** the update on the dry inflow planning.

Agenda Item 13: 2016–17 draft Basin Plan annual environmental watering priorities

77. The Chair welcomed Mr David Bell, who provided the Authority with the draft 2016–17 annual environmental watering priorities for endorsement.
78. Mr Bell advised the Authority of the increased engagement with MLDRIN and NBAN as well as with the CEWH, catchment management authorities and State officials prior to finalisation of the priorities. It was noted that there was a greater inclusion of indigenous priorities and that the process for gathering such input is ongoing and evolving.
79. Mr Hart emphasised that it was important that the communication material should emphasise that behind all this work is a solid body of strategic work and governance.
80. Members also noted there is a high degree of consistency between state priorities.
81. The Authority **endorsed** the draft priorities, noting that regional priorities from the Basin states are still to be received, and approval of the final priorities be delegated to the Executive Director, Environmental Management.

Agenda Item 14: Northern Basin Review

82. The Chair welcomed staff from the Northern Basin Review Taskforce, including Mr Brent Williams and Mr Phil Townsend, who provided an update on the Northern Basin Review and Phase 2 of the NBR engagement plan.
83. The Authority were advised of the implications of the Caretaker Period for consultations and engagement, with the focus on keeping officials up to date.
84. Mr Townsend advised that the socio-economic work (the 21 community profiles) prepared by the University of Canberra are undergoing further editing, including the title changing to; "Socioeconomic conditions in xx area".
85. The Authority was advised that KPMG continues to work on the modelling of the impacts of changes to water availability on local economies. The contract with KPMG had a 10 June 2016 milestone, which Mr Townsend was confident would be met.
86. The Authority discussed the desirability and options for using a facilitator for a forthcoming session to enable the Chair to better engage in the discussion about the NBR and requested the MDBA Executive further consider the options. The Authority endorsed the suggestion and it was recommended that Mr Chris Guest be asked to facilitate.
87. Authority members were provided with an overview of the approach to Phase 2 engagement. The plan is to commence on the week commencing 11 July 2016 and continue for four weeks at the same groups of towns visited in Phase 1. The morning would commence with a round-table approach with invited guests, followed in the afternoon with more technical discussions on request. The rough timing of the visits was:
- Week 1 – Wee Waa and Warren
 - Week 2 – Bourke, Brewarrina and Walgett
 - Week 3 – Dirranbandi and St George
 - Week 4 – Goondiwindi and Moree.

88. Participants would include Mr Glyde, an Authority member(s), local NBAC/ BCC members and technical staff.
89. It was noted that they intend to offer Ministers (or other senior officials) verbal briefings.
90. The Authority **noted** the NBR update and their increased level of comfort with the information becoming available on times.

Agenda Item 15: Other business

91. It was noted that the Chief Executive, along with the Chair had given an undertaking to NBAN that the Authority would meet directly with NBAN to hear of NBAN's views. The first opportunity to do this could occur during the period of NBAN and MLDRIN's meeting in Canberra on 8/9/10 August 2016.

Agenda Item 16: Next meeting – 5 July 2016

92. The Chair **noted** these additional Authority meetings:
- a half-day NBR workshop on the day before the main Authority meeting on 4 July and after the main meeting on 3 August, and
 - teleconferences – 21 June, 19 July and 16 August.
93. The Chair closed the meeting at 4.40 pm