

Murray–Darling Basin Authority
Meeting 100 – 5 July 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 at 8.07am and welcomed members and MDBA staff. There were no apologies.

Conflict of Interest

2. None of the members declared a conflict of interest with items on the agenda.
3. The Authority **noted** the opening remarks of the Chair.

Agenda Item 2: Adoption of Draft Agenda

4. The Authority adopted the agenda for meeting 100.

Agenda Item 3: Confirmation of Minutes of Meeting 99

5. Mr Glyde acknowledged that the delay was a consequence of the time he had inevitably spent in Basin Committees and outside of Canberra over the past month.
6. Ms Madden asked that the last sentence of paragraph 40 be amended to say: “She suggested that a document would be useful outlining roles and responsibilities for those engaged in Basin Plan implementation.”
7. Ms Davidson suggested that paragraph 37 be separated into two, starting from her mention of the difficulties for some farmers.
8. With these amendments, the Authority confirmed the minutes of MDBA 99 held on 7 June 2016.

Agenda Item 4: Chair’s report

9. The Chair opened his report by observing that, while the outcome of the election for Australia’s 45th Parliament is still undetermined, the Authority’s role and responsibility is unlikely to change – given the bipartisan support for the Basin Plan. The Chair stressed that, while the Authority had continued to base its decisions and recommendations on robust modelling and recognised science some candidates in the Federal election campaign had attracted publicity with Basin Plan criticisms that were unfounded. Their superficial comments had detracted from Authority and Basin Plan objectives.
10. The Chair congratulated MDBA staff on their work associated with the Northern Basin Review workshop the previous afternoon but reminded everyone of the difficulties associated with getting information out to northern communities.
11. The Authority **noted** the Chair’s report.

Agenda Item 5: BCC Chair’s report

12. Mr Rory Treweeke, Chair of the Basin Community Committee, provided an update by telephone, including reports from committee members.

13. He reported on recent meetings of the Lower Balonne Working Group which appeared satisfied with the modelling of how grazing decisions are made and demonstrated the impacts of water extraction upstream.
14. Mr Glyde acknowledged the support provided by Mr Howard Jones and Mr Tony Martin with recent meetings in the northern Basin, while noting that they were disappointed and frustrated at some of the meetings.
15. The Authority **noted** the report from the BCC Chair and members.

Agenda Item 6: NBAC Chair's report

16. Mr Mal Peters, Chair of the Northern Basin Advisory Committee (NBAC), reported (by telephone) on key matters that are concerning committee members.
17. He advised the Authority that:
 - (a) the NBAC report is progressing well and NBAC plans to provide final recommendations before Phase II of the consultations commenced
 - (b) meetings with the northern irrigators still need to be held
 - (c) work on the Tool Box continues and NBAC is keen to hear the MDBA's views on it
 - (d) NBAC members believe the explanation of the socio economic studies for the broader community still needs more work
 - (e) NBAC members have major concerns about protection of environmental flows and are looking for a good outcome from the upcoming workshop on 11 July 2016.
18. Mr Glyde responded that he expects to have meetings in place with the northern irrigators by the time the phase 2 consultation occurs and noted NBAC's assessment regarding the socio economic messaging.
19. Ms Davidson asked that the Authority be kept up-to-date on progress with the Tool Box. Mr Russell James, Executive Director, Policy and Planning, reported that an inter-governmental working group has been evaluating the Tool Box and offered to circulate its findings to date.
20. The Authority **noted** the report from the NBAC Chair.

Agenda Item 7: Authority Members' updates

21. Ms Davidson reported on her recent field trip with the South Australian Natural Resources Management Board and her involvement with the most recent Science meets Parliament event in South Australia. She added that she is scheduled to meet with the Nature Foundation next week.
22. Professor Hart outlined his involvement in the National Climate Change Adaptation Research Facility's 2016 conference in Adelaide tomorrow. In his opinion, there will be two major issues to address: (i) the split between consumptive and environmental water and the debate about entitlements; and (ii) with less water being a 'given', what does the science say will occur, for example, in the wetlands and what does the community want to have happen.
23. Mr Warne reported on a terrific season so far in Victoria, with inflows approaching average although he observed that some irrigators are concerned about initial allocations.
24. Ms Madden noted that the upper Murray trip had had to be postponed – due to rain! – and that the country side locally was looking good. She also added that Macquarie River Food & Fibre had contacted her, seeking her participation in an upcoming meeting.
25. The Authority **noted** members' updates.

Agenda Item 8: Chief Executive's report

26. Mr Glyde reminded members that the agency is still in caretaker mode – and likely to remain so for some time to come. He noted that an early report from the Functional Efficiency Review had been received and reported their following high-level points:
- (a) the risks associated with delivering the Basin Plan by 2019
 - (b) a lack of coordination across agencies in monitoring and evaluation of the Basin Plan
 - (c) the potential for savings could be made in the corporate area
 - (d) possible duplication in secretariat work
 - (e) a lack of coordination in community and stakeholder engagement across Commonwealth agencies
 - (f) apparent duplication in environmental watering – the CEWO and the MDBA.
27. Mr Glyde reported that the incoming government brief was being finalised and that a new General Manager for Partnerships and Engagement, Ms Vicki Woodburn, would commence on 18 July 2016.
28. Mr Colin Mues, Executive Director, Environmental Management, noted that 2016-17 Basin annual environmental watering priorities had been published in the week commencing 4 July.
29. The Authority **noted** the Chief Executive's report.

Agenda Item 9: Climate change issues paper

30. Mr Mues spoke to his presentation. Members noted their appreciation of the work that had gone into the paper.
31. Mr Warne asked, given the impact of climate change, whether it was time to adjust the data settings from the current 114 years to perhaps the last 20 years. Mr Tony McLeod, General Manager Water Management added that it would be possible to model around the risk of climate change and include this information without making changes to the policy platform.
32. Professor Hart requested future briefing from Mr David Dreverman, Executive Director River Management about climate change and river operations.
33. The Authority:
- (a) **noted** how climate change is being addressed across the MDBA work programs
 - (b) **noted** the emerging policy issues related to climate change
 - (c) **noted** the MDBA's climate change forward work program.

Agenda Item 10: Water Trade

34. Ms Edwina Carter from Water Markets and Trade presented this update, noting it was two years since the introduction of the Basin Plan water trading rules, which were an attempt to create a consistent approach to trading while providing equity for all water market participants.
35. She added that this work was the culmination of decades of water reforms, including defining property rights for water, separating water from land and changes to States' planning processes but that work was ongoing with jurisdictions to resolve some remaining inconsistencies.
36. The Authority:

- (a) **noted** the update on the ongoing implementation of the Basin Plan water trading rules and the MDBA's regulatory role
- (b) **noted** that discussions related to the water trading rules may be considered sensitive water market information and that these discussions should remain confidential.

Agenda Item 11: Protection of environmental water flows in the Barwon–Darling

- 37. Mr David Dreverman and Ms Maryanne Slattery spoke to this item which provided an overview of the risks, mitigation possibilities and other options for the protection of environmental water flows in the Barwon–Darling.
- 38. There was general discussion about the policies in the Barwon-Darling Water Sharing Plan that were currently in place which appeared to have created some unintended consequences. Mr Warne suggested that a discussion, based on the findings in the presentation, be initiated between the MDBA and the NSW Department of Primary Industry.
- 39. The Authority **noted** the presentation.

Agenda Item 12: Water Resource Planning

- 40. This item was considered after Agenda Item 13. Mr Makin, General Manager Water Resource Planning provided an overview update of the status of jurisdictions' water resource plans which, with some exceptions, confirmed most jurisdictions are having difficulty meeting either requisite standards, timings or both.
- 41. Mr Warne asked if the MDBA could create a template for States' use, based on a simple example. Mr James agreed this was a good idea and would be progressed.
- 42. The Authority **noted** progress with the development and assessment of water resource plans.

Agenda Item 13: SDL Adjustment

- 43. Dr Peta Derham, General Manager Ecohydrology Analysis spoke to her presentation noting that 20 of the 36 proposed supply measures have now been modelled. She added that, in doing this work, MDBA modelling could not achieve the same level of savings as generated by the independent Stocktake because of some negative third party impacts.
- 44. Mr Mues noted there were three significant tranches of work still to be actioned: (i) the relaxed constraints model; (ii) amendment of the benchmark model (which included modelling all 36 projects by November 2016); and (iii) working with jurisdictions to refine the methodology.
- 45. The Authority **noted** the SDL adjustment mechanism update.

Agenda Item 14: Basin Plan Amendments

- 46. Mr James spoke to this paper and there was general discussion about a range of issues including timings (which could be impacted by any delays in completing the Northern Basin Review) and the risks associated with potentially having to undertake more than one public consultation process.
- 47. Mr Glyde noted that, although timelines will be difficult (especially with delays to the appointment of a "new" Minister) the agency had to go out with the Northern Basin Review amendments.
- 48. The Authority:
 - (a) **agreed** that the preferred approach for amending the Basin Plan is to:

- i. seek an amendment through the Parliament to provide for a second SDL adjustment notification step, in 2016
 - ii. progress the proposed amendments arising from Northern Basin Review, the Groundwater reviews, the Water Act Review and a package of other technical amendments, through the regular Water Act amendment process (s45 – 48) with public consultation on these amendments commencing before mid-October 2016
 - iii. progress the SDL adjustment amendments as a single package following the proposed second notification
- (b) **noted** that this will be a major body of work for the Authority in the coming year
 - (c) **noted** that a communication and engagement plan will be developed for the amendments.

Agenda Item 15: Northern Basin Review

- 49. Mr Brent Williams, General Manager Northern Basin Review Taskforce spoke to this paper which he described as falling into three parts: (i) the meeting paper itself; (ii) the documentation from the previous afternoon's workshop; and (iii) a proposed hybrid scenario.
- 50. He advised that a draft socio economic report from KPMG was due Friday, 8 July 2016 and would be circulated to Authority members as soon as it was received.
- 51. Professor Hart wanted to record that he thought the Andrew Boulton / Ross Thompson review was very positive and had made a number of useful additional suggestions.
- 52. Authority members proceeded to make a number of adjustments to the text of their working document from the previous day's workshop and Mr Williams agreed to recirculate it to members.
- 53. Mr Mues then presented the specification for a hybrid scenario that his team had worked on overnight for consideration by members. Members were advised it would take three weeks to run this scenario.
- 54. The Authority **noted** the update on the Northern Basin Review, including progress with the triple bottom line assessment.

Agenda Item 16: Other Business

- 55. There was no other business.

Agenda Item 17: Future meetings

- 56. Ms Davidson notified her unavailability between 12 September and 11 October 2016.
- 57. The Authority:
 - (a) **agreed** to a teleconference on 19 July 2016 if required
 - (b) **noted** its next meeting is scheduled for 2 August 2016, followed by a half day workshop on 3 August 2016
 - (c) **noted** the remaining meetings for 2016:
 - Authority 102 – 6 September
 - Authority 103 – 8 November
 - Authority 104 – 6 December.

58. In addition, members **noted** an invitation to meet with the Directors of NBAN/MLDRN on 8 August 2016, as well as to attend the full gathering on 10 August 2016.
59. The meeting closed at 3.20pm.