

Murray–Darling Basin Authority
Meeting 101 – 2 August 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 8.15am and welcomed members and MDBA staff. There were no apologies.

Conflict of Interest

2. No member declared any conflict of interest in relation to any 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 101.

Agenda Item 3: Confirmation of Minutes of Meeting 100

5. The Authority **confirmed** the minutes from meeting 100 held on 5 July 2016.

Agenda Item 4: Chair's report

6. The Chair observed that the minutes from meeting 100 recorded that Parliament was in caretaker mode and noted that period had now ceased. He noted that the Hon Barnaby Joyce MP had retained his role as Minister for Agriculture and Water and that Mr John Madigan had not been returned to the Senate. He commented that the House of Representatives is finely balanced and the Senate's resolve on unpopular issues is untested.
7. He welcomed Ms Vicki Woodburn, the new General Manager, Partnerships and Engagement, to her first Authority meeting, outlining her previous experience and existing connection to Authority members. The Chair also reported the appointment of Mr Carl Binning as Executive Director, Environmental Management, commencing in September. He noted Mr Colin Mues had been appointed Chief Economist and thanked him for his work in environmental management. Dr Peta Derham and Mr Mike Makin had been appointed to SES Band 1 positions in Water Resource Planning and Ecohydrology branches respectively.
8. He also noted that Mr Darren Perry had been successfully nominated to the Peter Cullen Trust 2016 Science to Policy Leadership Program by MDBA and that Ms Janet Pritchard from the MDBA had also been successful.
9. The Chair reported he had addressed a South Australian Local Government Association/Murray Darling Association forum with a well received presentation on the basics of the Basin Plan. He noted an invitation to the Authority to address the South Australian Local Government Association in October. He also reported that he had met Mr Rob Kerin, former Premier of South Australia and now Executive Chairman, Primary Producers South Australia. He also reported on meetings in Broken Hill with Mr David Dreverman at the

request of the Mayor, Mr Wincen Cuy. This included meetings with Mr Darren Clifton and Mr Mark Hutton.

10. There had been a significant focus on northern Basin engagement and the Chair noted the team's work had produced an improved atmosphere at meetings. He noted the involvement of Authority members and the skill of the Chief Executive in relating to rural audiences. He referred to Mr Chris Joseph's Basin Community Committee (BCC) report crediting the MDBA staff, reflecting that Mr Joseph's comments mirrored his sentiments. The Chair commented the positive tone of the meetings was not reflected in the social media reporting of some persistent critics.
11. Ms Davidson mentioned that it was telling that a Landline story "Wet Walgett", which discussed making money from mud, did not mention the Basin Plan.
12. The Authority **noted** the Chair's report.

Agenda Item 5: BCC Chair's report

13. Mr Rory Treweeke, Chair of the Basin Community Committee provided an update, including reporting of the activities of six members. The Authority Chair acknowledged Mr Treweeke's input to the northern Basin engagement meetings and the valuable assistance of Mr Joseph. Mr Treweeke reported the Authority had earned the respect of those involved in northern Basin consultations.
14. The Authority **noted** the report from the BCC Chair and members.

Agenda Item 6: Authority Members' updates

15. Ms Susan Madden reported she had attended the Wee Waa and Warren consultations, noting that questions there were more pointed and better informed than at other meetings. The importance of having other Commonwealth and New South Wales (NSW) government agencies at the meetings was noted, as was the credibility gained from the social and economic study.
16. Mr George Warne reported that Aboriginal discussions indicated there is a risk the questions asked could alienate Aboriginal representatives from their communities and the need to be aware of the potential perverse outcome.
17. Mr Warne raised the issue of NSW compliance and the Authority's role in the future. Mr Glyde noted that issues raised by a whistle blower had been discussed with NSW DPI and referred to NSW Water as the relevant authority. The MDBA was documenting its understanding of how the relevant water sharing plan works and will then check that with NSW DPI. Professor Barry Hart commented it was a credibility issue for the MDBA that needed to be addressed, at least in part, during the Northern Basin Review.
18. Professor Hart reported on the northern Basin consultations, noting they were more balanced and not dominated by irrigators, and that having half the Authority present was well received. He commented that he would need to see the KPMG background work before making decisions about the northern Basin.
19. Professor Hart had also attended a Wentworth Group workshop, which focussed on climate change and he reported that the Group decided to do a review of the Basin Plan.
20. Ms Davidson noted South Australian allocations were at 89% and reported on her attendance at the peak bodies meetings. She commented on the improvement to material presented at the community meetings after her feedback following the peak bodies meeting. Ms Davidson expressed concern about the KPMG work and lack of back up to key staff in the Economic Analysis team. She reported that she had travelled with the Hon Simon Birmingham MP, who sent his good wishes to the Authority on reaching 100 meetings.
21. Members discussed attendance at the forthcoming Murray Lower Darling Rivers Indigenous Nations (MLDRIN)/Northern Basin Aboriginal Nations (NBAN) meeting (8 – 10 August 2016)

and were advised that the Chair and Chief Executive would be attending and that NBAN would not be providing its views on the Northern Basin Review.

22. The Authority **noted** members' updates.

Agenda Item 7: Chief Executive's Report

23. Mr Phillip Glyde advised that the Northern Basin Review had been his focus and he thanked Authority members for their involvement. He reflected on the strength of having decision-makers at meetings, and acknowledged the work of staff in ensuring a good balance of attendees.
24. He commented that there is an opportunity through the Review to demonstrate the adaptability of the Basin Plan and our preparedness to listen. This is helping to enhance our credibility and increasing support for the Plan.
25. Mr Glyde advised that he expected to sign a 10 year lease for part of 33 Allara Street on Friday 12 August 2016. He reported it included a generous lease incentive with lower recurrent costs. He noted there is uncertainty around the Government's objectives regarding decentralisation of the MDBA and this was being taken into account.
26. Mr Glyde also advised that the Functional Efficiency Review was close to finalisation with the draft report expected shortly. He also commented that all SES positions would be permanently filled in September.
27. Mr Glyde reported that the 2016–17 Corporate Plan would be published on the website if agreed by the Basin Officials Committee (BOC) at its next meeting on 23 August 2016. All the states had agreed to the simplification of goal four even though the legislative change that would require the change had not occurred.
28. The Authority **noted** the Chief Executive's report.

Agenda Item 8: Water Resource Planning

29. Mr Russell James, Executive Director, Policy and Planning, noted that the ACT is rethinking its water resource plan (WRP) and may seek a delay until 2019, which he noted would align it with the surrounding NSW plans.
30. Mr Michael Makin, General Manager, Water Resource Planning, reported that the final Warrego–Paroo–Nebine WRP had been received and the main outstanding issue is how the shared reduction is allocated across the catchments and reflected in the plan. It was expected the Warrego–Paroo–Nebine WRP would come to the next meeting for consideration.
31. Mr Warne reported that it appeared Queensland officials were overwhelmed by the extent of feedback from the MDBA. The Chair indicated he had heard the same from NSW, but with an increased willingness to cooperate.
32. Professor Hart expressed concern that there would be a perception of failure if WRPs were not completed by the due date, particularly where some plans are dependent on the completion of others. Mr James outlined the actions the MDBA is taking to facilitate compliance.
33. Mr Makin noted the position statements agreed by the Authority were still with the jurisdictions, and that engagement was not ideal, with no substantial comments provided.
34. Ms Belinda Wilson, Director, Water Resource Plan Policy, noted the experience of working on the ACT and Warrego–Paroo–Nebine WRPs had helped clarify the process for future benefit.
35. The Authority **noted** progress with the development and assessment WRPs.

Agenda Item 9: David Parker, Department of Agriculture and Water Resources

36. Mr David Parker, Deputy Secretary, provided an overview of the water policy environment and risks. He expressed a belief that water reform could be achieved, noting that all reforms are difficult and contested. He noted the bipartisan support for water reform and its importance for sustained change.
37. Mr Parker commented that the election did not feature the Basin Plan as a significant issue, due in part to settling the sustainable diversion limit (SDL) adjustment decisions beforehand. Agreement to a second notification process was an important enabling feature of the process. He observed that anti-Basin Plan candidates did not poll any better than Greens candidates. The recent rain had also been a much welcome circuit breaker. Mr Parker noted the appointment of Mr Tony Burke as opposition spokesman on environment and water, commenting that Mr Burke understands and is committed to the Basin Plan.
38. He expressed the feeling that there is a more positive approach from NSW to getting things done and states are generally being more actively engaged, but warned against complacency.
39. Mr Parker commented that the SDL adjustment is a work in progress, with states owning the consequences and the joint approach. If complementary measures include benefit for the environment as well as consumptive users then they are likely to be supported by states.
40. Mr Parker commented there were capacity and risk issues in relation to WRP accreditation, a process that raised the prospect of a more regulatory posture for the MDBA. He encouraged the Authority to consider WRPs carefully and emphasised the need to make sure SDLs are observed.
41. He reported that work evaluating the Private Irrigation Infrastructure Operators Program (PIIOP) is showing some good outcomes and recommended a presentation to the Authority.
42. The Authority **noted** the comments made by Mr Parker.

Agenda Item 10: SDL Accounting

43. Mr Tony McLeod, General Manager, Water Management, introduced this item, noting there had not been a Water Audit Monitoring report printed since the 2010–11 report. The 2011–12 report and the Cap registers for 2011–12, 2012–13, 2013–14 were to be considered by the BOC at its 23 August 2016 meeting. The paper presented to BOC would be provided to the Authority.
44. The Authority:
 - (a) **noted** progress of SDL accounting and preparation for implementing SDLs from July 2019
 - (b) **agreed** to receive a quarterly update on progress with SDL accounting.

Agenda Item 11: SDL Adjustment (process)

45. Mr Russell James presented a progress report on the SDL adjustment process, noting the second notification step requested by ministers is being worked through and a letter of acceptability has been provided to the Commonwealth Minister, should he need it.
46. Mr James advised the MDBA is working with the Department of Agriculture and Water Resources on the consideration of complementary measures, looking particularly at those that will provide Basin scale benefits. Pathways had been scoped out and the possibility of a second Basin Plan review canvassed. A complex component of the work will be how the measures are assessed. The first conversation with the states is being undertaken by the Department on Friday 5 August 2016. It will then be discussed in more detail at the August BOC meeting.

47. Mr James indicated a more detailed consideration of complementary measures would be presented to the Authority meeting following BOC consideration.
48. The Authority **noted** the update on the SDL Adjustment process.

Agenda Item 12: Pre-requisite Policy Measures

49. Mr David Dreverman, Executive Director, River Management, presented this item, noting that Pre-requisite Policy Measures Implementation Plans affect the retail operations of water authorities differently from the wholesale operation of the MDBA in delivering water. He identified that there are perceived deficiencies in NSW plans, which have been discussed with NSW officials and other Commonwealth representatives. Detailed comments are to be provided to NSW and a workshop convened to work through those comments.
50. He acknowledged the MDBA had a difference of opinion with NSW, where there is a belief that WRPs will address the changes and that the approach to pre-requisite policy measures should be principles based.
51. An update will be provided to the Authority following the workshop with NSW.
52. The Authority **noted** that:
 - (a) Pre-requisite Policy Measures Implementation Plans have been received from New South Wales, Victoria and South Australia
 - (b) in its current form, the New South Wales Pre-requisite Policy Measures Implementation Plan does not demonstrate that pre-requisite policy measures will be adequately addressed by 30 June 2019.

Agenda Item 13: Basin Plan Annual Report

53. Mr Glyde identified the need to ensure there is early agreement about the key messages of the Basin Plan Annual Report (BPAR).
54. Ms Dianne Mead, Director, Basin Plan Evaluation and Coordination, noted that the BPAR segues into the 2017 Basin Plan evaluation.
55. Professor Hart noted the need to ensure there is recognition of the challenge in getting back to equilibrium following the over-allocation in some catchments.
56. The Chair commented on the helpfulness of the Hall & Partners review and that the issue of balance between positive and negative messaging needs to be worked through, with the Authority indicating that positive messages should be included first and it would like to review the pitching. A storyboard overview would be provided to the October Authority meeting.
57. The Authority:
 - (a) **noted** the key findings of the review of the 2014–15 BPAR
 - (b) **discussed** messaging for the 2015–16 BPAR and **agreed** to provide feedback to the MDBA.

Agenda Item 14: Re-engaging with stakeholders in the southern Basin

58. Ms Woodburn reported on the key themes she had heard since she started with the MDBA. These include comment on the narrative and the feeling that there is not enough discussion of the outcomes, with too much focus on the detail. There is a need for basic information as well as technical detail, indicating a need to segment the audience.
59. There is a need for an overarching engagement plan, developed in consultation with the Authority, which the MDBA could better use opportunistically, rather than being reactive. Ms Woodburn warned against underestimating the polish and attention to detail required to make sure things work.

60. The Regional Engagement Officers (REO) pilot is to start with six people – two in a council, two in private sector situations and another two with local natural resource management bodies – to better explore the different approaches.
61. The Southern Basin Strategy is a three-pronged approach which builds on other events to minimise consultation fatigue. Feedback indicates the need to specifically invite people to MDBA hosted meetings rather than rely on joining meetings associated with other activities.
62. Members agreed that one of the lessons from recent northern Basin engagement was the importance of inviting informed community members, not just irrigators. It was noted that environmental groups have not been engaging, despite the MDBA's attempts.
63. Mr Glyde reported that Ms Kate Filor from the Department of Agriculture and Water Resources will take up a six month secondment with the MDBA in the media section, commencing in mid-August 2016.
64. The Authority:
 - (a) **noted** the proposed approach for engagement in the southern Basin
 - (b) **agreed** to provide comments on the agenda paper
 - (c) **noted** the upcoming meetings, which the MDBA plans to attend.

Agenda Item15: River Murray Annual Operating Plan

65. Mr Dreverman reported that the River Murray system annual operating plan is now available on the internet. Mr John Waterworth, Senior River Operator, River Management, provided an overview of the annual operating plan, relating it to the prevailing conditions in the Basin.
66. Mr Dreverman noted that the Lower Lakes had started spilling and would continue to do so for a couple of weeks. He also noted that the MDBA's active storage will be lower than the long term average as Lake Victoria is full and therefore anything downstream of Hume is not contributing to storages.
67. Mr Waterworth advised that the plan would be revised and published in October 2016.
68. The Authority **noted** that the River Murray system annual operating plan had been finalised and published on the MDBA website.

Agenda item 16: NBAC Chair's Report

69. The Chair, Mr Andrew, acknowledged the active support of particularly Mr Mal Peters, Chair of the Northern Basin Advisory Committee (NBAC) and also other NBAC members at the northern Basin consultations. He noted the traction NBAC provides the MDBA in the north.
70. Mr Peters noted the respectfulness of attendees at the consultations and the confidence in NBAC's ability to keep things on track.
71. Mr Peters, Ms Michelle Ramsay and Mr John Clements presented the interim recommendations of the NBAC. Mr Peters noted the work of Ms Ramsay in bringing the recommendations together.
72. Mr Clements identified the opportunity for the MDBA to be proactive regarding Aboriginal cultural heritage issues.
73. Mr Peters presented a letter in confidence to the Authority and discussed a range of issues relating to the Northern Basin Review with Authority members. The Authority indicated it would respond to the letter following the meeting and in consultation with the NBAC representatives.
74. The Authority **noted** the report from the NBAC Chair.

Agenda Item 17: Northern Basin Review

75. Mr Frank Walker, Director, Northern Basin Taskforce, and Dr Peta Derham, General Manager, Ecohydrology, introduced the paper, noting the triple bottom line workshop on Wednesday 3 August 2016 would explore issues in more detail.
76. Members requested an update on general socio economic work at the next meeting.
77. The Authority **noted** the update on the Northern Basin Review.

Agenda Item 18: Other Business

78. The Authority **noted** that there were no other items of business.

Agenda Item 19: Future meetings

79. The Murray–Darling Basin Authority:
 - (a) **agreed** to a teleconference on 16 August 2016
 - (b) **confirmed** that the next meeting will be held on Tuesday 6 September 2016 in Canberra with a triple bottom line workshop on 5 September 2016
 - (c) **agreed** to hold an additional meeting on 13 October 2016.
80. The meeting closed at 5.11pm.