

Murray–Darling Basin Authority
Meeting 104 – 8 November 2016
Confirmed 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, Mr Neil Andrew, opened the meeting at 8.30 am and welcomed members and MDBA staff. There were no apologies.

Conflict of Interest

2. No 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. Members agreed to consider correspondence from Lifeblood Australia under agenda item 18: Other business.
5. The Authority **adopted** the agenda for meeting 104.

Agenda Item 3: Confirmation of Minutes of Meeting 102

6. Members discussed the draft minutes and requested amendments.
7. The Authority **agreed** to confirm the minutes of MDBA 103 – 13 October 2016 out of session.

Agenda Item 4: Chair's report

8. The Chair, Mr Neil Andrew, noted the report provided under agenda item 5 (BCC Chair's report) reporting that international visitors to the International Water Association (IWA) Water Congress in Brisbane were particularly interested in the water reforms being implemented in Australia.
9. He also noted the recent flood events and reported on associated meetings organised by local Federal MPs in Corowa, Albury and Wodonga with local farmers, including on-site visits. He acknowledged the role of key MDBA staff in providing valuable information to stakeholders in difficult circumstances.
10. Mr Andrew also reported on the Murray Darling Association Annual Conference in Dubbo.
11. The Chair commented that the Authority's immediate objective continues to be the promotion of the Northern Basin Review (NBR) outcomes, with preparations for the forthcoming Ministerial Council meeting on 18 November 2016, followed by the release of the NBR at a breakfast briefing in Parliament House on 22 November 2016.
12. The Authority **noted** the Chair's report.

Agenda Item 5: BCC Chair's report

13. Mr Rory Treweeke, Basin Community Committee (BCC) Chair, commented on the report from the IWA Water Congress, specifically the usefulness and quality of the presentations by MDBA staff.
14. Mr Treweeke also commented that the southern Basin was coping with fluctuating water levels and commodity price issues, while the northern Basin waits for the outcomes of the NBR. As a floodplain resident he noted the inevitability of floods.
15. The Authority **noted** the report from the BCC Chair.

Agenda Item 6: NBAC Chair's report

16. Mr Mal Peters, Northern Basin Advisory Committee (NBAC) Chair, reflected on the forthcoming progression of the NBR to Basin Plan amendment consultations. He commented that if there was no more water to be recovered in New South Wales the consultations should not be too contentious, but noted that the Condamine–Balonne would be the hot spot. During the implementation phase, he expected there may be some information gaps identified.
17. He noted a risk that the science would be criticised and then questions might be raised about how recovered water would be used.
18. In response to information that the Authority had been provided letters from ministers expressing enthusiasm for toolkit measures, Mr Peters indicated that NBAC would want to know about the on-ground actions. He also noted that there would likely be little understanding of the toolkit measures outside of NBAC.
19. The Authority **noted** the report from the NBAC Chair.

Agenda Item 7: Authority Members' updates

20. Mr George Warne reported on the meetings with landholders affected by flooding. These occurred immediately after the flooding event and provided useful information in sometimes difficult circumstances. He commented on the lack of responsibility taken by landholders for the integrity of their infrastructure and the level of risk some had adopted. He also noted that one of the significantly affected farmers was now doing resilience planning.
21. The Authority **noted** members' updates.

Agenda Item 8: Chief Executive's report

22. Mr Phillip Glyde, Chief Executive, expressed his gratitude for Authority members attending the southern Basin meetings, noting that their presence adds to the quality of meetings.
23. He commented on the quality of the regional engagement officers (REOs) engaged and the very high level of support being provided by their host organisations.
24. Mr Glyde noted the effect on staff of the range of changes happening within the MDBA, including the status of the MDBA's future funding.
25. Members discussed the apparent stalling of water trading between valleys in the southern Basin due to the application of old, and often restricting rules, which differ between valleys.
26. The Authority **noted** the Chief Executive's report.

Agenda Item 9: Performance reporting including Q1

27. Ms Jo Schumann, Executive Director Corporate Division, circulated the annual performance statements, noting they are the compilation of the reports provided to the Authority each quarter.
28. Members discussed the South Australian Riverland Floodplains Integrated Infrastructure Programme (SARFIP) and were informed that work would not be possible until recent flood waters recedes.
29. Members discussed the level of expenditure on the NBR.
30. The Authority **noted** the quarter one performance report.

Agenda Item 10: Water trade update

31. Mr Oscar Mamalai, Director Water Markets and Trade, provided an update on the responses from Queensland and the Australian Capital Territory to the MDBA's preliminary views on priority water trading issues. He noted the Victorian response had not been provided and that there was a lack of engagement by New South Wales.
32. Members recognised the difficulties resulting from the inability to trade water between New South Wales and the Australian Capital Territory. It was noted that the absence of trade on its own can be a restriction of trade under the Water Act.
33. The Authority members discussed the issue of water traders tagging water for delivery interstate, circumventing Basin states' allocation trade restrictions. Authority members noted that the protection provided by a grandfathering clause in the Basin Plan allowed some of these activities to continue.
34. The Authority **noted**:
 - (a) the slow progress with resolving high priority water trading issues
 - (b) the current work being undertaken by the Murray–Darling Basin Authority relevant to implementing water trading rules.

Agenda item 11: Potential impact of environmental water use on reliability

35. Authority members discussed the paper presented by Dr Tony McLeod.
36. The Authority:
 - (a) **noted** that the Basin Officials Committee has implemented measures, including calling environmental water from storages, so the risk of unacceptable impacts on reliability due to environmental water use as part of the Environmental Watering Trials on the River Murray System are minimised
 - (b) **noted** the Basin Plan provisions, in combination with bridging the gap measures, means that no action is required under the Basin Plan, including in water resource plans, that would impact on reliability or water access characteristics
 - (c) **noted** that changes in how allocated water is used by entitlement holders (both consumptive and environmental) may impact on reliability and water access characteristics
 - (d) **endorsed** further analysis to clarify the impacts on reliability and access characteristics due to environmental water use with reference to the settings of the Basin Plan and Water Act
 - (e) **requested** a further update and consideration of the issues in March 2017.

Agenda item 12: Northern Basin Review update

37. Authority members were updated on the two outstanding technical reports. The floodplain grazing report was going through final clearance prior to members' consideration. The consultation report describing the public consultation process and outcome was circulated during the meeting for consideration.
38. Authority members were advised that a final modelling of scenario 320D is underway.
39. A revised draft NBR report was distributed and members provided initial comments, with any additional comments to be provided by Friday 11 November 2016.
40. Members acknowledged the outstanding work that had been undertaken by MDBA staff in preparing the report.
41. The Authority **noted** the verbal update provided on the negotiations with the Commonwealth, New South Wales and Queensland governments on the 'toolkit' measures and progress with finalising the Northern Basin Review reports ahead of the 22 November 2016 public release.

Agenda item 13: Basin Plan amendment update

42. The Authority:
 - (a) **noted** the draft legal instrument and plain English summary and the request for feedback to be given out-of-session
 - (b) **agreed** to proceed with the package of proposed amendments prior to the public consultation commencing on 22 November 2016
 - (c) **noted** an out of session paper would be circulated to seek the approval of the Authority to the package of proposed amendments, to approve the gazettal notice and authorise the Chief Executive to affix the common seal.

Agenda item 14: Basin Plan amendment consultation process

43. Authority members discussed the projected schedule of consultations and were advised that key parties had been informed of the proposed process and provided an indication of dates.
44. The proposal to conduct town information session proposals was informed by consultations with BCC and NBAC. The BCC subcommittee emphasised there should be a focus on being clear that meetings would be for the provision of information and the formal submission mechanism would still need to be used for feedback to be considered.
45. Authority members noted that there was time in the schedule in January for follow up visits and this could be used to visit those places where a particular need had emerged.
46. Members also discussed the format of meetings and noted that advertising for submissions and notice of meetings would need to occur prior to the breakfast briefing.
47. Members worked through their availability for the proposed schedule of meetings.
48. The Authority **noted** the update on the engagement and communications approach for the Basin Plan amendments public consultation process and the draft briefing timetable.

Agenda item 15: SDL Adjustment update

49. Mr Carl Binning, Executive Director Environmental Management Division provided an update on SDL adjustment.

50. Members were advised that the second notification amendment bill had passed the Senate.

51. The Authority **noted**:

- (a) the update on progress of the SDL adjustment mechanism
- (b) the next meeting of the Murray–Darling Basin Ministerial Council (18 November 2016) would consider the SDL adjustment mechanism progress report, complementary measures and a presentation on the natural cues approach.

52. The Authority **agreed** to a further consideration of these issues and a presentation on natural cues at its next meeting.

Agenda item 16: Complementary Measures

53. The Authority:

- (a) **agreed** there is long-term strategic value in work being undertaken to develop a framework and method for assessing the relative merit of complementary measures
- (b) **noted** the proposed key tasks and timeframes for developing a complementary measures assessment framework and method
- (c) **noted** the Murray–Darling Basin Ministerial Council meeting paper addressing complementary measures.

Agenda item 17: Water Resource Plan update

54. Mr Michael Makin, General Manager Water Resource Planning, provided an update on progress made by jurisdictions with water resource plans.

55. Authority members expressed frustration at the progress of water resource plans and concern about the prospects for anticipated timeframes being met in most jurisdictions.

56. The Authority **noted**:

- (a) the draft status report on water resource plan development prepared for the upcoming Ministerial Council meeting
- (b) the work on developing actions to improve the likelihood that all of the water resource plans will be developed and accredited by 30 June 2019.

Agenda item 18: Other Business

57. The Authority **agreed** the Chair would respond to the correspondence, identifying opportunities for Lifeblood Australia members to be involved in meetings on the Basin Plan amendments.

Agenda item 19: Next meeting

58. The Authority **noted** the next meeting was scheduled for 6 December 2016 (MDBA 105).

The Chair declared the meeting closed at 3.45 pm.