

Murray–Darling Basin Authority
Meeting 107 – 7 March 2017
Minutes

Members in Attendance: The Hon Neil Andrew (Chair); Ms Dianne 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 am and welcomed members and MDBA staff. There were no apologies.

Conflict of Interest

2. Professor Barry Hart declared a potential conflict of interest in relation to item 9 and indicated he would absent himself during that item.
3. The Authority **noted** the opening remarks of the Chair.

Agenda item 2: Adoption of draft agenda

4. The Authority **adopted** the draft agenda.

Agenda item 3: Confirmation of minutes of meeting 105

5. The Authority **confirmed** the minutes from meeting 106 held on 14 February 2017.

Agenda item 4: Chair's report

6. The Chair reported his attendance at meetings with Mr Glyde, the Prime Minister, Deputy Prime Minister and key advisers. The Prime Minister was reassured with the level of stakeholder engagement being undertaken for the Basin Plan amendment by the MDBA.
7. The Chair presented the Prime Minister with Chris Guest's book, reflecting 100 years since the River Murray Commission first met.
8. Mr Andrew also reported on his address at the annual meeting of the Western Districts Local Government Association in New South Wales, with Mr Michael Makin from the MDBA, together with further meetings with Federal and South Australian State Members of Parliament within Basin electorates.
9. The Authority **noted** the Chair's report.

Agenda item 5: Basin Community Committee Chair's report

10. Mr Rory Treweeke, Chair of the Basin Community Committee (BCC) reported on the activities and observations of BCC members. He thanked the Authority for the opportunity to participate in the celebration of the 100 year anniversary of the first meeting of the River Murray Commission.
11. Mr Treweeke reflected on the tendency for some stakeholders to blame the MDBA for all of the problems occurring in the Basin.

12. He reported on the successful and very positive workshop he and several BCC members attended with the MDBA's Regional Engagement Officers (REOs).
13. Authority members discussed the role of REOs and the BCC and their different perspectives and roles. It was noted that the REO program is a pilot and different types of host organisations and processes for nomination of REOs were used.
14. The Authority **noted** the report from the BCC Chair and members.

Agenda item 6: Authority members' updates

15. Authority members provided updates on the meetings they had been involved in.
16. Authority members discussed observations on techniques for community engagement, noting that none of the approaches used so far had been without criticism. For example, it was noted that those who prefer closed meetings don't like the open meetings and vice versa. The most successful approach appeared to be when different types of meetings were used. It was noted that communicating what the style of particular meetings would be beforehand was also important.
17. The Authority **noted** the updates from the Authority members.

Agenda item 7: Advisory Committee on Social, Economic and Environmental Science Chair's report

18. Professor Stuart Bunn, Chair of the Advisory Committee on Social, Economic and Environmental Sciences (ACSEES), by telephone, reported that the 1–2 March 2017 meeting based upon the workshop style format facilitated better interaction between ACSEES members and MDBA staff.
19. He reported on discussions on the 2017 Evaluation, emphasising the importance of avoiding a narrative based on the environment versus production, and that the economic outcomes from the Basin Plan needed to be broader than just jobs and production in irrigated agriculture and also include the positive aspects for tourism and recreation.
20. Professor Bunn indicated ACSEES considered the environmental assessment needed to be underpinned by a strong narrative about the need for change, including the evidence of degradation. He advocated a strongly integrated and balanced evaluation report that avoided complicated information and messages.
21. The Authority **noted** the verbal report from the Advisory Committee on Social, Economic and Environmental Sciences.

Agenda item 8: Chief Executive's report

22. Mr Glyde noted the forthcoming Ministerial Council meeting to be held in Mildura, on 17 March 2017.
23. The Authority was advised four representative groups would be presenting at a stakeholder roundtable with ministers on the afternoon preceding the Ministerial Council meeting. Indigenous representation would be from the Murray Lower Darling River Indigenous Nations and Northern Basin Aboriginal Nations; the National Irrigators Council and National Farmers' Federation made up a production group; local government would be represented by the Murray Darling Association, Murray River Group of Councils, Riverina and Murray Regional Organisation of Councils; and the Australian Floodplain Association and Australian Conservation Foundation were the environment body representatives.

24. Members discussed the 2017 Evaluation and the data sets available for evaluation and the importance of a strong narrative.
25. Mr David Dreverman, Executive Director River Management, reported on nervousness of Hume residents about the high levels of Hume and Dartmouth dams, due to much reduced demand during the relatively wet summer.
26. Mr Carl Binning, Executive Director Environmental Management, reported that 100 GL of River Murray Increased Flows (RMIF) water held in the Snowy River had been called for environmental watering to facilitate bird breeding.
27. The Authority **noted** the updates from the Chief Executive.

Agenda item 9: Commonwealth On Farm Further Irrigation Efficiency (COFFIE)

28. Professor Barry Hart excused himself from this item.
29. The Chair introduced and welcomed Mr David Parker, Deputy Secretary, Department of Agriculture and Water Resources (DAWR) and officers from the Department, who provided the Authority an outline of the categories of efficiency measures and the Council of Australian Government's (COAG) requirement for an implementation plan. The socio-economic neutrality of efficiency measures and the differing effects of efficiency measures were discussed. The Department noted that the lessons learnt to date and simplifying how participants engage with the program were a key part of the pilot project.
30. The Authority **noted** the presentation on efficiency measures, including the Commonwealth On Farm Further Irrigation Efficiency program, provided by the Department.

Agenda item 10: Northern Taskforce update

31. Ms Amy Fox, Assistant Secretary, Water Infrastructure Northern Branch DAWR, provided an overview of the work of the taskforce and areas of risk relevant to Northern Basin Review. The taskforce was on track regarding the timelines for the Basin Plan amendment. Many meetings were held in towns in the Basin, where the messages were consistent with those the MDBA was hearing in its consultations. The Department was meeting with anyone who was interested, reaching out through media, radio slots and personal emails.
32. Ms Fox advised that the Department was collaborating across government, with the assistance of the Department of the Prime Minister and Cabinet, in relation to Indigenous programs.
33. The Authority **noted** the update provided by the Department.

Agenda item 11: Basin Plan amendment consultations and submissions

34. In introducing this item, the Chair passed on his and the Authority's appreciation to Mr Brent Williams, General Manager, Basin Plan Amendment, and to each member of the Basin Plan amendments team.
35. Mr Williams reported on the key issues being raised in submissions identified from a preliminary analysis of submissions. These included:
 - (a) commentary on the data and models
 - (b) diverse views on the proposed SDL for the northern Basin

- (c) support for the toolkit but scepticism about whether the measures would be implemented
 - (d) the need to understand the implications for the southern Basin, noting that the effect to South Australia was less than 0.3% of the long term average flows
 - (e) concerns about Aboriginal issues not being taken into account, undue influence by irrigators and that there was not enough weight given to the broader economic and social benefits of a healthy system
36. Mr Williams noted that the groundwater amendments were generally supported, as were the trade rules with some minor changes suggested. The technical amendments were generally supported, but the shared reduction apportionment was still being debated.
37. Members discussed the learnings from the amendment process and noted the importance of communicating to stakeholders the limitations of modelling and that models do not provide answers but provide evidence for use in decision making.
38. Members were advised that further analysis of the more complex technical material provided in submissions was underway.
39. The Authority:
- (a) **noted** the analysis of issues raised in submissions on the proposed Basin Plan amendment
 - (b) **noted** progress in the development of northern Basin toolkit measures
 - (c) **noted** that an update on the Basin Plan amendment would be provided to ministers at the Ministerial Council meeting on 17 March 2017
 - (d) **noted** the scope of potential changes to the Basin Plan amendment
 - (e) **agreed** to write to ministers (s.47A of the *Water Act 2007*) after further progress on toolkit measures is demonstrated.

Agenda item 12: Dr Adam Loch – Transaction cost analysis

40. The Chair welcomed Dr Adam Loch, who has been preparing transaction cost analyses from the work he has undertaken on private transaction costs of water trade in the southern Murray–Darling Basin and on public transaction costs of the MDBA Salinity Management Strategy (1988-2015). He saw these as important in the evaluation of both the National Water Initiative and the Basin Plan.
41. Dr Loch explained the evidence of adaptive efficiency over time, future investments needed, and possible implications for the current Productivity Commission review of the National Water Initiative.
42. The Authority **noted** the presentation on transaction cost analysis.

Agenda item 13: Murray Darling Association

43. The Chair introduced and welcomed Mr David Thurley, National President of the Murray Darling Association (MDA) and Ms Emma Bradbury, Chief Executive Officer, noting the MDA's positive relationship and collaboration with the MDBA.
44. The MDA representatives presented an overview of the organisation's ability to consider and bring forward positions on issues across the Basin. They identified opportunities for projects that could inform Basin Plan implementation and evaluation, which would be considered by the MDBA

45. Authority members noted the importance of local government engagement in the ongoing implementation of the Basin Plan.
46. The Authority **noted** the Murray Darling Association presentation.

Agenda item 14: WRP update and planning position statements

47. Mr Michael Makin provided a positive report on progress with water resource planning.
48. The Authority:
- (a) **noted** the update on the approach to development and assessment of water resource plans (WRPs)
 - (b) **noted** the status of WRP development
 - (c) **endorsed** WRP Position Statements; 4A – Consistency with s10.17 and 3G – Characteristics of water access rights.

Agenda item 15: Sustainable diversion limit adjustment mechanism update

49. Mr Carl Binning, Executive Director Environmental Management, summarised recent progress on the modelling of the supply measures for the sustainable diversion limit adjustment measures (SDLAM).
50. The Authority **noted** the update on the sustainable diversion limit adjustment mechanism.

Agenda item 16: Quarter 2 performance report

51. The Authority **noted** the Quarter 2 performance report.

Agenda item 17: Other business

52. Dr Tony McLeod, General Manager Water Policy, provided the Authority with a presentation and explanation on surface water SDL accounting as requested at the last Authority meeting. He outlined the key concepts for a robust water accounting system to ensure that the volume of water taken does not exceed the volume of water that is permitted, thereby protecting investment and increasing certainty and security for all water users.

Agenda item 18: Next meeting

53. The Authority **confirmed** that the next meeting of the Authority would be held in Canberra on Tuesday 4 April 2017.
54. The meeting closed at 4:05 pm.