

BASIN OFFICIALS COMMITTEE GOVERNANCE

JOINT GOVERNMENTS' RESPONSE PAPER

December 2019

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1 Summary of Recommendations

1. Role of BOC in Murray Darling Basin Decision Making

- BOC will be the peak body of basin government officials to provide advice to decision makers on all Murray-Darling Basin matters.
- BOC will recognise the roles and decision-making authority of different organisations and Committees under the existing Basin governance arrangements including the *Murray-Darling Basin Agreement* (the Agreement), The Joint Venture Agreement, the *Water Act 2007* (Cth) and the Murray Darling Basin Plan (the Basin Plan).
- BOC will recognise the different context in which it considers Murray-Darling Basin matters:
 - In some instances, it will **provide advice** to the Murray-Darling Basin Ministerial Council
 - In some instances, it will **be consulted** by the Murray Darling Basin Authority prior to the Authority making a **decision or recommendation** to the Commonwealth Water Minister.
 - In some instances, the BOC will **make decisions**.

2. BOC Functions and Meetings

- BOC agrees to operate within its legislated purpose and adopt a board-like approach, with meetings to consist of formal decision-making components and a workshop component.
- BOC agrees to meet a minimum of four times a year with the meetings scheduled to align with key decision points. Additional meetings can be scheduled as required but should be limited to focus on strategic direction rather than operational issues.
- All papers to BOC will clearly identify both the decision maker and the role requested of BOC, and which sub-committee(s) have already considered the matter.

3. BOC Chair

- BOC agrees to review chairing arrangements by 30 June 2020, noting that BOC has agreed to continue with the Commonwealth as chair until this time. Any future change to the chairing arrangements may require changes to the *Water Act 2007* (Cth).

4. Membership and Capability of BOC Members

- BOC requests that the Secretariat develop and coordinate a formal induction program for all new BOC members, BOC alternates and committee chairs.
- BOC agrees that all current BOC members, BOC alternates and Committee Chairs undertake a refresher induction program and to use this as a test case for the proposed induction program described in the point above.
- BOC agrees that the MDBA Chief Executive continue to participate in BOC meetings in order to consult basin governments on Basin Plan implementation matters and in an advisory capacity in relation to BOC decisions.
- BOC agrees to invite other participants in an advisory capacity such as environmental water holders to attend meetings for items relevant to their roles and accountability.

- BOC requests that the Secretariat develop a protocol to formalise the role of advisory participants and how their attendance and observation of BOC meetings will be managed, including the management of market sensitive information.

5. BOC Alternates

- BOC agrees that BOC Alternates will become a formal Tier 1 Committee and will be supported by the BOC Secretariat.

6. BOC Annual Review and Strategic Planning

- BOC agrees to undertake a review of its performance and review its strategic direction/plan on an annual basis. As part of the review, feedback will be sought from key basin stakeholders.

7. Development of agreed KPIs

- BOC agrees to develop a set of key performance indicators that will be monitored throughout the year and will be reviewed and refreshed as part of the annual review of BOC performance and strategic planning processes.

8. Communication and Engagement

- BOC agrees to a range of mechanisms to improve transparency and engagement with key stakeholders and the community, including:
 - A refreshed webpage for BOC related information
 - At least one regional BOC meeting per year, including site visits and opportunities to meet with local stakeholders
 - Joint meetings with the MDBA Board and Basin Community Committee
 - Annual Basin Conference and Roadshow, building on the related Commonwealth Government election commitment for River Murray management and operations annual conference.

9. Administration and Secretariat

- BOC supports the development and implementation of a new support model that has a more empowered Secretariat with direct access to the Chair, particularly immediately prior to and post BOC meetings. By updating the BOC Guide to Procedures, the new support model will include new agenda templates and meeting protocols and more timely circulation of meeting materials both pre and post meetings.

10. Board Committees

- BOC agrees that matters considered by the Basin Plan Implementation Committee (BPIC) will now be dealt with by the appropriate committee¹ and BPIC will be dissolved.
- BOC agrees to the new Tier 1 committees of:

Standing Committees

¹ The implementation plan developed, in consultation with the basin jurisdictions, by the MBDA will include an action to outline the role and responsibilities of BOC and the committees. This will include the reallocating of BPIC's responsibilities to the appropriate committees.

- BOC alternates – Chaired by Deputy BOC Chair (Commonwealth)
- Joint Venture Budget and Performance – Chaired by Commonwealth Senior Executive
- River Murray Operations – Chaired by Commonwealth Senior Executive
- Environmental Water – Chaired by the MDBA

Time Bound Committees

- Sustainable Diversion Limit Adjustment Mechanism Implementation – Independent Chair
 - Northern Basin Project Group – Chaired by the Commonwealth
- Tier 1 committee chairs must be at senior executive level or equivalent.
 - BOC agrees that Tier 1 Committee Chairs will be able to seek BOC approval to establish or continue or amalgamate any Tier 2 committees underneath their committee.
 - Within three months of BOC agreement to the nominated committee chairs and approve the terms of reference and membership, which includes a transition plan from the existing committees to the new committees, are to be presented to BOC for consideration and approval.
 - BOC agrees that the existing committee structure will remain in place until terms and reference and membership are approved for the new committees.

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Glossary

Basin governments	Includes the Australian Government, and governments of New South Wales, Victoria, South Australia, Queensland and the Australian Capital Territory.
Constraints projects	<p>Projects that address anything that affects the delivery of environmental water. This can include physical aspects such as low-lying bridges, or river channel capacity, but can also include operational aspects such as river rules or operating practices that impact on when and how much water can be delivered.</p> <p>The effectiveness of environmental water delivery and management can be improved by addressing some of these physical and operational constraints.</p>
Consumptive use	Use of water for irrigation, industry, urban, stock and domestic use, or for other private consumptive purpose.
Efficiency measures projects	Projects that change water use practices and recover more water for the environment with no adverse socio-economic impacts. This can include upgrading on-farm irrigation infrastructure, or lining channels to reduce water losses within an irrigation network.
Environmental flows	Any river flow pattern provided with the intention of maintaining or improving river health.
Held environmental water	Water that is available under a water access right, a water delivery right or an irrigation right for the purpose of achieving environmental outcomes.
Prerequisite policy measures	<p>A suite of legislative and operational rule changes that allow environmental return flows to be credited for downstream environmental use or allow held environmental water to be called from storage during un-regulated flow events.</p> <p>The Basin Plan outlines these measures and required them to be implemented by 1 July 2019.</p>
Sustainable Diversion Limit adjustment mechanism	Basin Plan provision that allows for adjustment of the Sustainable Diversion Limit under certain circumstances
Supply projects	Projects that enable equivalent environmental outcomes to be achieved with less water. Examples include environmental works, such as building or improving river or water management structures, and changes to river operating rules.

Sustainable Diversion Limit

The maximum long-term annual average quantities of water that can be taken, on a sustainable basis, from the basin water resources as a whole, and the water resources, or particular parts of the water resources, of each water resource plan area.

Toolkit measures

As part of the Northern Basin Review, the Australian, New South Wales and Queensland governments made in-principle commitments to implement a number of projects that would enhance outcomes of water recovered for the environment. These measures include better protection of environmental flows, addressing constraints to environmental water delivery in the Gwydir wetlands, mitigating cold water pollution and constructing fishways.

Water for the environment

Water used to achieve environmental outcomes, including benefits to ecosystem functions, biodiversity, water quality and water resource health.

Water resource plans

Statutory management plans established by the *Water Act 2007* and developed for particular surface water and groundwater systems. States also have statutory management plans established under state legislation (e.g. 'water sharing plans' in New South Wales and 'water allocation plans' in South Australia).

2 Introduction and Context

A review of the joint governments' governance arrangements was initiated by Basin Officials Committee (BOC) in accordance with the Murray-Darling Basin Compliance Compact 2018. Mr Greg Claydon was appointed as the independent reviewer to undertake the review of the Murray-Darling Basin joint government's governance arrangements (Governance Review). The Claydon review final report was provided to the Chair of BOC in March 2019.

In addition to the Claydon Review, the Productivity Commission's inquiry on the Murray-Darling Basin Plan: five-year assessment (PC Inquiry) was finalised and released in January 2019. Among the findings was the requirement for reform of the current governance arrangements to ensure significant risks to Basin Plan implementation are effectivity managed.

This paper, while forming a response to the Governance Review and its recommendations, also considers the relevant findings and learnings from the PC Inquiry as well as strategic discussions that have occurred between Basin jurisdictions over the past 18 months.

The recommendations proposed in this response intend to address the common themes and findings of these reviews and discussions, with a focus on the requirement for simplified and streamlined decision-making; increased transparency; improved clarity of accountability, roles and responsibilities of various committees; and clarity of decision making authority.

3 Basin Officials Committee – ‘Board-like’ focus

The recent PC Inquiry recommended that Basin Governments should demonstrate strategic leadership, take joint responsibility and direct the implementation of the Basin Plan. Similarly, the Governance Review found that *“there was strong support for BOC to take a more ‘programmatic’ approach to its business and function more like a ‘board’ with a focus on strategy, risks and a “dashboard” approach”*.

BOC currently deliberates on any number of matters related to Basin management and while at times it is effective, at times it is not. Part of the reason for this is the lack of a systematic approach to ensure that there is close alignment between the business transacted and the Committee’s defined role.

The *Murray-Darling Basin Agreement* (Agreement) (cl 26) and the *Water Act 2007* (Cth) (the Act) (cl 201) defines the roles of the BOC as being:

- (a) to advise the Ministerial Council in relation to outcomes and objectives on major policy issues of common interest to the Contracting Governments in relation to the management of the water and other natural resources of the Murray-Darling Basin, including in relation to the Ministerial Council’s role in the provision of critical human water needs, but otherwise only in so far as those issues are not provided for in the Basin Plan;
- (b) to give effect to any policy or decision of the Ministerial Council, as required by the Ministerial Council;
- (c) to exercise responsibility for high level decision making in relation to river operations, including by setting objectives and outcomes to be achieved by the Authority in relation to river operations;
- (d) to exercise the powers and discharge the duties conferred on it by or under the Murray-Darling Basin Agreement or the Water Act;
- (e) to advise the Murray-Darling Basin Authority about the performance of the Authority’s functions, including advising about:
 - (i) engaging the Basin States in the preparation of the proposed Basin Plan and proposed amendments of the Basin Plan; and
 - (ii) matters referred to the Committee by the Authority; and
- (f) to facilitate cooperation and coordination between the Commonwealth, the Authority and the Basin States in managing the Basin water resources.

The Act also makes it clear that the BOC must not act in a manner that is inconsistent with the Basin Plan. Therefore, the role of BOC, as defined by the Agreement and the Act, align well with the empirical functions of an Executive Board and adopting a similar approach will enable BOC to take a more strategic focus on all Basin Plan related matters.

The following key aspects, which are consistent with those identified by the PC Inquiry and the Governance Review, are fundamental components to the establishment of the BOC as an effective Executive Board:

- BOC Meetings
- BOC Chair
- Membership and capability of BOC Members

- BOC Annual Review and Strategic Planning workshop
- Development of agreed KPIs
- Communication and Engagement
- Administration and Secretariat
- Board Committees

The proposal for BOC to operate more like a board does not require changes to existing legislation or agreements. The proposal is based on behavioural and administrative changes and does not diminish legislated roles and responsibilities.

Recommendations

The BOC will be the peak body of Basin government officials to provide advice to decision makers on all Murray–Darling Basin matters.

The BOC will recognise the roles and decision-making authority of different organisations and Committees under the existing Basin governance arrangements including the Murray–Darling Basin Agreement (the Agreement), The Joint Venture Agreement, the Water Act 2007 (Cth) and the Murray Darling Basin Plan (the Basin Plan).

The BOC will recognise the different context in which it considers Murray–Darling Basin matters:

- In some instances, it will provide advice to the Murray–Darling Basin Ministerial Council
- In some instances, it will be consulted by the Murray–Darling Basin Authority prior to the Authority making a decision or recommendation to the Commonwealth Water Minister.
- In some instances, the BOC will make decisions.

The BOC agrees to operate within its legislated purpose and adopt a board-like approach, with meetings to consist of formal decision-making components and a workshop component.

3.1 BOC Meetings

Consistent with Board style operations, the BOC would meet on a scheduled basis, a minimum of four times per year and to align with key decision points, such as consideration of the annual Joint Programs budget or prior to a Ministerial Council meeting. It is not always practical for matters to be held over to a scheduled meeting or to be considered out of session. In this case, special meetings would need to be arranged through the Chair in consultation with the BOC principals. It is reasonable to expect that the BOC would need to meet in the lead up to Ministerial Council meetings or to consider emerging Basin Plan policy or Agreement issues.

To best utilise the time of the BOC, a proposed indicative agenda structure for each of the pre-scheduled meetings is provided in Table 1, with the intent being to promote more board like behaviour.

The first section is focussed on decision making based on short, well-structured papers and the provision of information required for BOC to properly acquit its functions. It is anticipated that discussion will be limited during this component to the overall agenda, with matters well

discussed by BOC Alternates prior to the meeting. Any matters that do require extensive discussion should be referred to the Workshop component of the agenda.

The second section takes on a different form, with the BOC members given the freedom to ‘think, explore and create’ in a broader, less formal, context. It also provides a formal place marker to discuss items of strategic importance and develop tactical responses.

The third section is a shorter session and returns to the formality of the first section. It provides the opportunity for review and reflection and to formalise any agreements made during the workshop session. Importantly it also provides an opportunity for the BOC to consider whether any public statements are required as a result of matters discussed. This session should also include time for members to reflect on the meeting conduct and make suggestions for continuous improvement.

Depending on the issues to be considered by BOC, it may mean that the meeting will need to be held over two days. There would be many advantages to this.

Redefining the BOC as a Board, together with realignment of the BOC agenda and meeting operations, addresses the concerns raised in the Governance Review about roles and responsibilities in respect of the BOC decision items and strategic discussion. Along with redefining the role of the BOC Alternates to compliment the refocussing of the BOC, these improvements would fulfil the functions of the Basin Improvement Forum identified in the Governance Review.

Table 1 - PROFORMA AGENDA – BOC MEETING DAY(S)

The BOC Board

Agenda divided into two sections:

- Responsibilities under the Water Act and Basin Plan; and
- Operation of the Joint Venture.

Each section then divided into:

- BOC decision items (including monitoring of progress reports)
- Information required to inform BOC (e.g. Seasonal conditions, environmental outcomes delivered, etc.) – may be presentation or noting paper
- Sub-Committee Reports

Option to consider inviting a Stakeholder Group to provide a short presentation and Q&A at the end of this component of the meeting.

The BOC Workshop

Workshop session would not be a statutory meeting of BOC and could cover matters such as:

- BOC strategic discussions
- BOC planning
- Development of immediate responses (where required)
- Stakeholder feedback/intelligence

- Discussions about pertinent issues of the day

The BOC Board

- Tidy up of any business arising out of workshop session
- Review of day's proceedings
- Consider any matters requiring public statement
- Confirmation of meeting actions
- Reflections on meeting conduct and actions for continuous improvement

Recommendation

The BOC agrees to meet a minimum of four times a year with the meetings scheduled to align with key decision points. Additional meetings can be scheduled as required but should be limited to focus on strategic direction rather than operational issues.

All papers to the BOC will clearly identify both the decision maker and the role requested of BOC, and which sub-committee(s) have already considered the matter.

3.2 BOC Chair

The BOC has agreed to continue with the Commonwealth as Chair until June 2020 before reviewing the matter again. Any change to this arrangement may require legislative change to the *Water Act 2007* (Subdivision D, 201A) and hence, the support of the Federal Parliament.

The BOC Chair has also agreed to improve communications especially as it relates to the Commonwealth putting forward its position on matters as opposed to presenting a view on issues.

Recommendation

The BOC agrees to review chairing arrangements by 30 June 2020, noting that the BOC has agreed to continue with the Commonwealth as chair until this time. Any future change to the chairing arrangements may require changes to the *Water Act 2007* (Cth).

3.3 Membership and Capability of BOC Members

The BOC membership should be at the discretion of each jurisdiction. However, it is intended that it be at Secretary or Deputy Secretary (or equivalent) level. It is important that each member has genuine influence and decision-making delegation within their respective jurisdiction.

Consistent with the findings of the Governance Review and good executive practice, it is recommended that a formal induction program be developed for all new BOC members, the BOC Alternates (refer description below) and Committee chairs. This program would be at least two days in length and, at a minimum, consist of components relating to:

- History of the management of the Murray-Darling Basin
- The Water Act, Agreement and any other relevant agreements at the time
- Operation of the River and the Joint Venture (where applicable)

- Role of the Commonwealth
- Aboriginal culture and engagement
- High level overview of water management in each Basin jurisdiction
- Overview of the Basin Plan
- Current issues
- Future opportunities and threats
- Operations of BOC and MDB Ministerial Council
- Expectations of BOC members – contributions and behaviours
- Public Sector Board Governance.

Meetings with key staff in the lead Commonwealth Department, including the BOC Chair, and the Office of the Commonwealth Environmental Water Holder would also be arranged. Consideration could also be given to receiving briefings from key stakeholder groups.

Under the current arrangements this program will be best developed and coordinated by the Murray–Darling Basin Authority (MDBA) and should be undertaken within three months of appointment. Any costs will be met by the relevant jurisdiction.

All current BOC members and BOC alternates should undertake an ‘induction refresher’ with this refresher providing the basis for the design of the full induction program.

The MDBA and the CEWO will participate in BOC meetings and sub-committee meetings in an advisory capacity and as part of the Commonwealth cohort. To formalise the role a protocol will be developed to include rules of engagement, conflicts of interest and exposure to market sensitive information. The secretariat will lead on the development of a protocol with involvement from all the Basin jurisdictions. The BOC will approve the protocol.

Recommendations

The BOC requests that the Secretariat develop and coordinate a formal induction program for all new BOC members, BOC alternates and committee chairs.

The BOC agrees that all current BOC members, BOC alternates and Committee Chairs undertake a refresher induction program and to use this as a test case for the proposed induction program described in the point above.

The BOC agrees that the MDBA Chief Executive continue to participate in BOC meetings in order to consult basin governments on Basin Plan implementation matters and in an advisory capacity in relation to BOC decisions.

The BOC agrees to invite other participants in an advisory capacity such as environmental water holders to attend meetings for items relevant to their roles and accountability.

The BOC requests that the Secretariat develop a protocol to formalise the role of advisory participants and how their attendance and observation of BOC meetings will be managed, including the management of market sensitive information.

3.3.1 BOC Alternates

The BOC Alternates have been operating in an informal way to work on emerging policy issues and strategic matters requiring across jurisdiction coordination. In most cases the BOC Alternate has also acted the BOC member as provided for in cl. 21 of the Agreement. If it is to support BOC and make decisions the group needs to be formalised with clear terms of reference to which it can operate from.

Formalising the BOC Alternates as a committee with a strategic role as well as other areas of focus that have fallen outside of the governance framework will fulfil the functions of the Basin Improvement Forum identified in the Governance Review.

BOC Alternates membership is at the discretion of each jurisdiction. The Alternates should be in a senior position and must have the authority to act on behalf of the BOC member.

Recommendations

The BOC agrees that the BOC Alternates will become a formal Tier 1 Committee and will be supported by the BOC Secretariat.

3.4 BOC Annual Review and Strategic Planning Workshop

Two of the key activities undertaken by a high performing Board are an annual performance review and a review of the Board's strategic direction/plan. When undertaken together, they provide an opportunity to critically evaluate achievement against KPIs, consider broader perceptions of performance, discuss behaviours and reset/reposition for the year ahead. If implemented well, the process will drive significantly better levels of accountability and performance.

Additionally, the value that these sessions provide to strengthen the relationships and comradery of the BOC 'team' should not be underestimated.

Noting difficulties associated with data collection, this process would be enhanced by the provision of a self-assessment and/or feedback from key Basin stakeholders collected prior to the workshop. The feedback process should be designed in a way to yield good quality data in a timely way. Consideration should be given to capturing the data through an online survey.

It is recommended that dedicated time be set aside in late April/early May each year to undertake this process. An offsite location should be used, preferably at a location of significance to Basin management, to focus attention while also contributing to BOC members' underlying understanding of the Basin. An independent facilitator may assist to guide the process and ensure that the required outcomes were achieved. BOC will consider the suitability of an independent facilitator when planning for the workshops.

Recommendation

The BOC agrees to undertake a review of its performance and review its strategic direction/plan on an annual basis. As part of the review, feedback will be sought from key basin stakeholders.

3.5 Development of agreed KPIs

The development, monitoring and reporting of key performance indicators will provide the foundation for BOC to operate more like a Board. The roles defined for the BOC in the Agreement and the Act lend themselves well to the development of agreed KPIs against by which to monitor and evaluate the Committee's performance.

Recommendation

The BOC agrees to develop a set of key performance indicators that will be monitored throughout the year and will be reviewed and refreshed as part of the annual review of BOC performance and strategic planning processes.

3.6 Communication and Engagement

Various reviews and feedback from stakeholders indicate that there is some level of 'mystique' about the purpose and operations of the BOC. While the inherent nature of the BOC as a public service advisory committee to the MDB Ministerial Council and the MDBA means that much of BOC's work will not be conducted in a public forum, opportunities do exist to increase levels of awareness, engagement and transparency. A range of potential options to achieve this are outlined below, noting that none will be successful on their own – a combined approach will be required.

3.6.1 BOC Webpage

Refresh the existing publicly available BOC information on the MDBA webpage as a foundation for the provision of information relating to BOC. This could include information about members, provide clarity about BOC's roles and responsibilities, provision of information to the water market, etc.

3.6.2 Regional meeting (in addition to Annual Review and Strategic Planning Workshop)

At least one BOC meeting per year should be held in a regional location within the Basin, with jurisdictions taking turn to host. This meeting would include both a site visit component (to both enhance technical understanding of BOC members and engage with relevant stakeholders/staff) and a meaningful stakeholder engagement component.

3.6.3 MDBA Board and Basin Community Committee

The BOC and the MDBA Board have significant roles in the management of the Basin, yet the only interface is through the MDBA Chief Executive being a member of the Board and an authorised attendee at BOC. It is considered that tangible benefits would result from there being a closer relationship between these two entities. As a first step to addressing this, BOC should meet collectively with the MDBA Board, at least once a year, to build mutual understanding of strategic directions and key issues.

In addition to this, each time that a MDBA Board meeting is held in a Basin jurisdiction (other than Canberra - noting the need for the ACT to engage in one of these meetings), the relevant BOC Member and BOC Alternate member may be invited to attend a session devoted to information sharing and discussion about Basin Management in that jurisdiction. This would be a two-way interactive discussion, rather than a one directional PowerPoint presentation.

While the Basin Community Committee (BCC) is established by the MDBA, its functions in relation to the provision of community insight and feedback are also of significant value to BOC. It is therefore recommended that BOC and BCC meet formally at least once per year and a formal mechanism is established for issues to be raised or advice sought/provided at respective committee meetings.

BOC members, if not already, should also be encouraged to build a healthy relationship with the BCC members located within their respective jurisdiction.

3.6.4 Meetings with Stakeholders

While BOC could become consumed meeting with the myriad of stakeholders across the Basin, there are a smaller number of ‘peak’ bodies that BOC could schedule a semi-regular engagement with. This would provide an opportunity for information sharing and engagement, which should in turn improve BOC performance and the understanding of BOC’s role. This paper has identified an opportunity for a section of the BOC agenda to be set aside for stakeholder engagement as required, noting that members may consider other methods to be more effective.

Subject to the area being visited, regional meetings of BOC (outlined in 1.6.3) may also provide an opportunity to engage with peak bodies, with the site visit component potentially providing an opportunity for BOC to engage with relevant local/regional stakeholder groups.

3.6.5 Annual Basin Conference and Roadshow

The recent *Future-Ready MDB Forum: Beyond 2030* suggested, amongst other things, that annual MDB forums be convened to share new knowledge, foster the exchange of ideas and build networks; and that an annual State of the Basin report be developed. While the *Future-Ready MDB Forum* had a strong science focus, the concept of MDB forums could be broadened out from the suggested knowledge focus to include components devoted to the State of the Basin, e-water achievements, SDL project implementation, efficiency measures updates, progress on constraints, etc. This type of approach would work well in the format of a conference (e.g. could stream subjects in line with interest areas - science, policy, operations, etc for example) and would provide a definitive source of accurate information and updates to be provided to the public and stakeholders. Given the positive feedback received following last year’s forum on SDL projects, it is considered that this type of approach would likely make a significant contribution to improving transparency for the public.

Early in the implementation of the water information provisions of the *Water Act 2007*, the Bureau of Meteorology implemented a highly successful annual roadshow program that delivered a core national update, with a relevant jurisdictional component. Building on the recommendation above to establish an annual Basin conference and the reality that not all interested parties will be able to travel interstate, it is recommended that BOC work with the MDBA to develop and implement a similar annual roadshow product for the Basin.

This initiative should build on the Federal Government’s election commitment for MDBA River Management and Operations Outlook Conferences held in rural and regional Basin communities.

Recommendation

The BOC agrees to a range of mechanisms to improve transparency and engagement with key stakeholders and the community, including:

- A refreshed webpage for BOC related information
- At least one regional BOC meeting per year, including site visits and opportunities to meet with local stakeholders
- Joint meetings with the MDBA Board and Basin Community Committee
- Annual Basin Conference and Roadshow, building on the related Commonwealth Government election commitment for River Murray management and operations annual conference.

3.7 Administration and Secretariat

For BOC to operate more like a Board, a more empowered Secretariat with direct access to the Chair, particularly immediately prior to and post BOC meetings, is required. The Secretariat should be an extension of the Chair and therefore must have the capability, capacity and credibility to manage all aspects of BOC operational matters.

While the secretariat should appropriately remain within the MDBA, for BOC meeting purposes secretariat staff should effectively report to the BOC Chair, not MDBA Officers, other than when conflicts in delegations would occur (i.e. appropriate MDBA staff would have to approve expenditure, etc.).

To support the new mode of operation, a new agenda template and meeting protocols (including the timely provision of agenda papers) would need to be developed by the secretariat, in consultation with BOC members. By updating the BOC Guide to Procedures, meeting protocols should also consider the formal transition of matters from one committee's responsibility to another. This is particularly important as matters related to Basin Plan become business as usual and may form part of the Joint Programs. It is recommended that the current 'live minutes' approach be formally adopted to ensure that decisions are distributed to BOC members in a timely manner.

Recommendation

The BOC supports the development and implementation of a new support model that has a more empowered Secretariat with direct access to the Chair, particularly immediately prior to and post BOC meetings. By updating the BOC Guide to Procedures, the new support model will include new agenda templates and meeting protocols and more timely circulation of meeting materials both pre and post meetings.

3.8 Board Committees

A typical board committee structure has several sub-committees that cover operations, budget and finance and risk and audit (for ASX listed companies other committees include nominations and remuneration committees that are not relevant for Basin governance and have therefore not been considered further). This provides an appropriate framework for theming BOC sub-committees given the recommendation that BOC re-position its operation to more closely represent that of a Board.

BOC's role, which is outlined in more detail in Section 1, can be broadly split into; 1) matters related to the Agreement; and 2) matters related to policy and implementation of the Basin Plan. Within these two broad functional areas, BOC sub-committees have been themed against standard board committees and identified building on the recommendations of the Governance Review (Attachment 1).

To operationalise these arrangements, it is recommended that BOC nominates an appropriate chair for each Tier 1 committee.² Following this, terms of reference should be prepared, consulted on and presented to BOC for endorsement within three months and prior to the committee commencing under the revised governance arrangements. BOC will prepare draft guidelines will help ensure that only the key matters are included and that terms of reference are kept brief. Basin jurisdictions, through their respective BOC member, will nominate members to the committees.

Under the Basin Plan Implementation Agreement, the role of Basin Plan Implementation Committee (BPIC) has been to discuss and make decisions concerning the Basin Plan implementation, while BOC Alternates focus on strategic matters. While BPIC is more formal than BOC Alternates, the committee has not regularly met. Establishing a new committee framework under BOC presents an opportunity to dissolve BPIC and streamline and allocate its responsibilities for implementation matters to more relevant committees. Those committees can then directly report to BOC for noting or approving. Basin Plan implementation matters that do not fall under the scope of a proposed committee should also form part of the work program of BOC Alternates.

Tier 1 committee chairs will then consider the need for the establishment, continuation or amalgamation of formal Tier 2 committees underneath them and seek the appropriate approval from BOC, which must include an end date. It is essential that BOC is very clear about the type and level of officer required for any Tier 2 committee to be successful. Consideration should also be given to splitting the agenda of some committees to separate purely operational functions from policy related matters that are potentially market sensitive.

The governance structure recognises the interface that the MDBA Board has with the governance framework and specifically, the advisory role of BOC. There should be a formal approach to how information is requested by the MDBA Board and whether this should come through BOC.

The structure also recognises the special role of the MDBA organisation as being the agent of the joint venture in accordance with the Act and Agreement and its relationship with the MDBA Board in respect of Basin Plan activities.

Recommendation

The BOC agrees to the new committees of:

Standing Committees (Tier 1)

- BOC alternates – Chaired by the Deputy BOC Chair
- Joint Venture Budget and Performance – Chaired by Commonwealth Senior Executive member

² Chairs should be at least Level Senior Executive or equivalent.

- River Murray Operations – Chaired by Commonwealth Senior Executive member
- Environmental Water – Chaired by the MDBA

Time Bound Committees (Tier 1)

- Sustainable Diversion Limit Adjustment Mechanism Implementation –Independent Chair
- Northern Basin Taskforce – Chaired by the Commonwealth

Tier 1 committee chairs must be at senior executive level or equivalent.

BOC agrees that Tier 1 Committee Chairs will be able to seek the BOC approval to establish or continue or amalgamate any Tier 2 committees underneath their committee.

Within three months of BOC agreement to the nominated committee chairs and approve the terms of reference and membership, which includes a transition plan from the existing committees to the new committees, are to be presented to BOC for consideration and approval.

BOC agrees that the existing committee structure will remain in place until terms and reference and membership are approved for the new committees.

Attachment 1. BOC Committee Structure

Tier 1 – BOC Alternates

Chair: Deputy BOC Chair

Membership: BOC Alternate members, MDBA, CEWO as adviser

Areas of focus

- Coordination and advice on emerging issues and priorities and maintain BOC work program
- Advice and support to BOC on strategic planning and performance evaluation including interface with Basin Science Platform
- Coordination of joint communications on MDB Agreement and Basin Plan issues
- Advising on and implementing strategic engagement with stakeholders and community
- Oversight of engagement activities with Aboriginal people in water management
- Implementation of state water resource plans (particularly Basin Plan Chapter 10 requirements)
- Basin Compliance Compact
- Basin Plan trade rules
- Overseeing high level work program to track activities across the joint Basin MER Framework and Basin Science Platform

Tier 2 - Sub-committees – currently aligned but subject to review

- Monitoring and Evaluation Group
- Trade Working Group
- Trade Rules Working Group.

Tier 1 - Joint Venture Budget and Performance

Chair: Commonwealth

Membership: Basin jurisdiction water policy agencies. MDBA as adviser.

Areas of focus

- Existing terms of reference [Chair to be requested to review and update]
- Evaluation of performance of Joint Programs and recommendations for improvement
- Evaluation of budget impact of Basin Plan implementation on the Joint Venture and potential solutions

Tier 1 - River Murray Operations

Chair: Commonwealth

Membership: Basin jurisdiction water policy agencies and State Constructing Authorities, MDBA.

Areas of focus

- Existing terms of reference [Chair to be requested to review and update]
- Evaluation of the impact of Basin Plan implementation on River operations and potential solutions

Tier 2 - Sub-Committee – currently aligned but subject to review

- Water Quality and Salinity

Tier 1 - Environmental Water Committee

Chair: MDBA

Membership: All basin jurisdictions, environmental water holders, MDBA, State river operations agencies.

Areas of focus

- Environmental water policy
- Integration of environmental water and river operations
- Environmental water engagement and communication
- Oversight and coordination of environmental watering, including maximising the environmental outcomes of Basin environmental water holdings (including CEWH, TLM and jurisdiction environmental water holdings).

Tier 2 - Sub-committees – currently aligned but subject to review

- SCEWBC
- NBEWC
- WLWG.

Dependencies – this committee will have strong linkages to RMO and SDLAM committees.

Tier 1 - Sustainable Diversion Limit Project Committee

Chair: Independent³

Membership: Basin jurisdiction water policy agencies, MDBA, CEWO as an advisor.

Sunset date: 30 June 2024.

- Integrate the responsibilities of the Adjustment Implementation Committee and the informal Efficiency Measures Working Group.

Tier 2 – Sub-committees – currently aligned but subject to review

- Constraints Working Group

Northern Basin Project Group

Chair: Commonwealth

Membership: NSW, Queensland, Commonwealth, MDBA and CEWH. Vic, ACT, SA provided with papers and are optional attendees

Sunset date: 30 June 2024

- Overseeing the implementation of the Northern Basin toolkit measures
- Collaborating on and coordinating communications

³ Currently, Mr David Wiskar is the Independent Chair of the Adjustment Implementation Committee. As part of the implementation plan, MDBA will discuss with Mr Wiskar and AIC members the role of chair for the Sustainable Diversion Limit Project Committee.