

30 November 2018

Dear Murray-Darling Basin Ministerial Council

Murray-Darling Basin Water Compliance Compact Progress Report – Advice from the Independent Assurance Committee

The Independent Assurance Committee (IAC) was established under the *Water Act 2007* (Cth) in 2018 to provide expert advice on the design, implementation and adequacy of the Murray-Darling Basin Authority's (MDBA) Basin Plan compliance program. This action was taken by the Authority following the tabling of the Murray-Darling Basin Water Compliance Review in late 2017. In the Murray-Darling Basin Compliance Compact (Compact) that flowed from the review, the IAC was given a role to provide an assurance report on the MDBA's progress under the Compact. As part of that role, the IAC also chose to advise on the MDBA's evaluation of state progress.

Under the Compact, the MDBA was required to report on progress to the Council of Australian Governments and the Murray-Darling Basin Ministerial Council by 30 December 2018. The IAC's assurance report forms part of the MDBA's progress report and this letter provides advice on the MDBA's evaluation of state progress.

The MDBA and the IAC agreed and adopted a common methodology to evaluate performance against the Compact. The report concentrates on those matters that the MDBA and the IAC, respectively, determined to be of highest priority following a risk analysis of all of the actions in the Compact.

The MDBA's evaluation of the states seems fair and reasonable, studying the evidence provided. Considerable progress has been made against the requirements of the Compact.

New South Wales (NSW), South Australia and the Australian Capital Territory met their reporting obligations fully and on time. Victoria provided limited information explaining that during the election period the application of the "caretaker convention" restricted its ability to respond more comprehensively. This seems to have been an unnecessarily cautious position when read against the Victorian guidelines for such matters. Queensland was still finalising its response one month after the reporting deadline, making it difficult to evaluate its performance in a timely and fulsome manner.

The IAC provides a cautionary note on progress. While the MDBA's assurance report is positive, the IAC's interpretation is less sanguine. In the absence of evidence to the contrary, the IAC is concerned about the progress of Queensland in meeting its commitments under the Compact. Transparency and accountability for action provide the foundation for the Compact and the lack of information about progress is worrisome. The IAC is also concerned about delays in finalising water resource plans by 30 June 2019. NSW is of particular note but with less than complete reporting from Queensland and Victoria, the concern may not be restricted to NSW alone.

Recognising that the 2018 report is an interim report because of the relatively short time since the Compact was signed, the IAC emphasises the importance of 2019 as the year for all jurisdictions to

fulfil their commitments under the Compact. The Authority has a crucial role to play in keeping the jurisdictions accountable for completing actions to which the participating governments have committed, a role that was recognised in the Compact through this reporting regime.

Yours Sincerely

A handwritten signature in grey ink, consisting of a stylized 'A' followed by a horizontal line that curves upwards at the end.

Allan Holmes

Chair of the Independent Assurance Committee