

Department of Regional Development, Manufacturing and Water response to the Productivity Commission 2023 *Murray-Darling Basin Plan: Implementation review 2023, Interim report.*

The Queensland Department of Regional Development, Manufacturing and Water (DRDMW) welcomes the opportunity to provide feedback to the Productivity Commission on the *2023 Murray-Darling Basin Plan: Implementation review 2023, Interim report* (the Interim Report).

This feedback on the Interim report is in addition to the DRDMW response, sent on 4 August 2023, to an information request from the Productivity Commission on the Murray-Darling Basin Plan Implementation review 2023 inquiry.

Category Key

Error or potential error	ER
Clarification required	CL
Response to information request	RE
Agreed	AG

Page (pdf)	Interim Report text	Category	Comments
7	'An open market tender is in progress to recover most of the outstanding 2,075 GL/y water recovery target.'	CL	Suggest change to: 'An open market tender is in progress to recover outstanding surface water in New South Wales and Queensland and outstanding groundwater in Queensland for the 2,075 GL/y water recovery target. The outstanding water recovery for ACT is being dealt with through a separate process'. It would be useful in the report to also provide a target catchments breakdown.
13	The limited progress made on the 2,680 GL/year target since 2018 means there is still considerable work to do to complete 'Bridging the Gap'. The focus of the Australian governments should be on making progress towards this target – using the full range of water recovery options – before pursuing the 450 GL/year efficiency measures target. Operating parallel water recovery programs in a tight water market risks	AG	DRDMW agrees with this statement. This is consistent with issues raised in our response to the Productivity Commission's information request.

	causing sharp price rises and community uncertainty and angst.		
19, 156	'However, NBAN has ceased operating'	ER	<p>ABC media reports that MDBA ended its contract with NBAN on 31/10/2022.</p> <p>ASIC Connect business name search shows that NBAN is currently registered with ASIC as an Australian public company, limited by guarantee. The locality of the registered office is Toowoomba.</p> <p>Please clarify. The contract between MDBA and NBAN has ceased, however we believe NBAN still exists.</p>
33	' Interim recommendation 6.2: Government agencies should publish in regular scheduled reports the data, modelling outputs and government-commissioned research that informs their decisions about water management in the Basin. This should include any decisions related to resetting sustainable diversion limits.'	CL	<p>DRDMW has an Open Data Policy and publishes relevant basin related documents. In addition, DRDMW provides reporting to the MDBA for publication.</p> <p>Where possible, science undertaken by Queensland Government departments involved in water planning is published in the peer reviewed scientific literature. This provides confidence and improves it discoverability.</p> <p>Publication of Queensland accredited WRPs: https://www.mdba.gov.au/water-management/basin-plan/water-resource-plans/list-state-water-resource-plans</p>
40	'Meeting the SDLs requires the Australian Government to recover water entitlements from existing water users. This process is known as 'Bridging the Gap' (bridging the difference between the Baseline Diversion Limits and the SDLs). In 2012, the Basin states and the Australian Government agreed that 2750 GL/y of water from across the Basin would be recovered for the environment by 30 June 2024.'	CL	<p>For clarity:</p> <ul style="list-style-type: none"> • Change 'existing water users' to 'existing water entitlement holders.' • Insert new sentence to follow: 'Recovered water entitlements are managed by the Commonwealth Environmental Water Holder to achieve environmental outcomes.'
51	Basin states have not delivered projects as agreed, and the Australian	CL	Please consider clarifying by contextualising the States involved. This text appears to be in reference to slow progress for the 605 GL SDLAM

	Government has not held them to account. Over time, Basin governments have progressively reduced the scope of water recovery options available, and given greater priority to slower and more expensive forms of water recovery.		supply measures and projects in the Southern Basin. However, all Basin States are implicated in this statement, where it should not include Queensland.
53	'Bridging the Gap has included programs to directly purchase water rights through open and limited tenders, infrastructure projects, and other State led projects.'	CL	Suggested for clarity: <ul style="list-style-type: none"> • Change 'water rights' to 'water entitlements'. • Change 'State led projects' to 'State led programs'.
53, (Box 2.1)	'The 2016 Northern Basin Review (MDBA 2016) proposed a range of projects to protect and actively manage environmental flows and concluded that, were those projects implemented, the northern Basin gap bridging water recovery target could be reduced by 70 GL/y. The Plan was amended in 2018 to reflect this water recovery reduction.'	CL	The Northern Basin Review at page 5 <i>recommended</i> that "the water recovery target for northern Basin catchments be amended (<i>from 390 GL</i>) to 320 GL on the basis that the Australian, Queensland and New South Wales governments agree to implement a number of so-called 'toolkit measures' designed to improve water management." Please use this wording as the toolkit measures are broader than just the projects. Please refer to DCCEEW webpage Northern Basin Toolkit .
54	'Basin states are responsible for delivering the supply, constraints easing, and northern Basin toolkit measures, funded by the Australian Government and overseen by a subcommittee of the Basin Officials' Committee (BOC).'	ER	The Basin states <i>share</i> responsibility with the Australian Government to implement environmental works and measures identified in the Northern Basin Review, collectively known as the 'Northern Basin Toolkit.' See MDBA webpage Northern Basin toolkit 'Responsibility for the work' section. In particular water recovery in the Northern Basin associated with Bridging the Gap, which is also a measure under the Northern Basin Toolkit, is an Australian Government responsibility.
58	'A further 3.2 GL/y of groundwater, entirely in the Queensland Upper Condamine Alluvium, is also yet to be recovered (DCCEEW 2023f). An open	CL	The wording is misleading. The Queensland Government undertook licence reductions under the <i>Water Act 2000</i> (Qld) only to a relatively small number of entitlement holders who elected not to participate in the tender process. This recovery was relatively minor compared to the total amount

	tender process during 2018, coupled with the Queensland Government choosing to undertake compulsory licence reductions, delivered an additional 31.6 GL/y toward the target (DCCEEW, sub. 77, attachment 2).'		recovered in the Central Condamine Alluvium (35.2 GL). See MDBA web published data .
59	'However, project implementation is still at a very early stage for the Gwydir constraints project and environmental works measures (table 2.3). Four environmental works projects have since been approved for an 'accelerated gateway model', with the Australian Government providing a further \$90 million to New South Wales and Queensland, in addition to the initial \$180 million, to speed up implementation (DCCEEW 2023d). This model was designed to undertake both the pre-construction and construction stages 'concurrently' to enable implementation by 30 June 2024 (DCCEEW, sub. 77, response to information request, p. 21).'	ER	<p>The \$90 million to NSW and Qld is part of a total Australian Government commitment of up \$180 million to 2024 for the implementation of Northern Basin Toolkit environmental works and measures projects.</p> <ul style="list-style-type: none"> • The \$90 million is not additional to the \$180 million. • The \$90 million was made available for four of ten approved projects that will follow an accelerated gateway model. See DCCEEW webpage.
61	'The failure of Basin governments to achieve water recovery targets by the original deadlines, across most elements of resetting the balance, means the cost of delivering the Basin Plan will be considerably higher than first estimated. There have been significant increases in water entitlement prices and construction costs over the last fifteen years (figure 2.4).'	CL	<p>The term 'Basin governments' is not clear on whether this means Federal and State/Territory Governments.</p> <p>Under the <i>Water Act 2007</i> (Cth) achievement of the Basin Plan's SDLs is a shared responsibility of basin governments. The Australian Government has adopted responsibility for leading the policy implementation, program design and providing funding to ensure that the SDLs are met.</p> <p>Suggest clarifying that the Commonwealth Government has an overarching responsibility under Commonwealth legislation and policy to achieve water recovery targets.</p>

	Taxpayers will bear the costs of delivering Basin Plan targets in this higher cost environment.'		
65	'For example, the Queensland Government's decision to compulsorily acquire groundwater entitlements in the Condamine Balonne suggests a lack of willing sellers in that catchment.'	ER	The large majority of groundwater recovery in the Condamine-Balonne catchment (Upper Condamine Alluvium) came from willing sellers. The Queensland Government's agreed to undertake licence reductions under the <i>Water Act 2000</i> (Qld) were an entitlement holder elected not to participate in a tender process. This level of reduction was a relatively minor component of the Central Condamine Alluvium (35.2 GL recovered) of which most acquired through the Commonwealth's purchase process from 2018.
75	'The MDBA (sub. 61, p. 2) claimed that 'the commitment of Basin governments to implementing the northern Basin toolkit has slowed and valuable elements of the package will not be implemented by the agreed deadline'.'	CL	Queensland has implemented a number of measures and continues with a commitment to progress proportionate to Commonwealth approval processes and funding.
94	Information request 2.1 The Commission is considering the merits of establishing a new corporate Commonwealth entity to address the anticipated water recovery shortfall.	CL	Please clarify how a new government owned corporate entity will not create an additional and unnecessary layer of governance, funding and complexity. This is likely to weaken and slow processes for water recovery. Risks can be mitigated if the Australian Government provides a clear framework of how they will do the water recovery and the Australian Government reports progress transparently. In addition, Southern Basin states report on progress on supply projects towards the 605 GL/y water recovery.
100	'In 2018, the Environmental Management Framework was not fully implemented – while LTWPs were in place in Victoria and South Australia, they had not been finalised in New South Wales, Queensland and the ACT. In 2020 these final	CL	The requirement in the Basin Plan is that 'A Basin State must prepare a LTWP for each WRP area that contains surface water'. Queensland did this when it submitted WRPs for accreditation. This statement makes it appear Queensland was not in accordance with Basin Plan required timing, so clarification is required.

	LTWPs were put into operation. The Environmental Management Framework is now fully implemented (section 3.4).'		<p>Queensland submitted LTWPs with the accreditation package for each of its WRPs. It has also updated and replaced its LTWPs.</p> <p>Queensland Published:</p> <ul style="list-style-type: none"> • LTWPs v1 and v2 • Border Rivers and Moonie v1 2019 & v2 2022 • Condamine and Balonne v1 2019 & v2 2022 • WPBN v1 2016 & v2 2022
105	'In the northern Basin, there are still far too many cease to flow events, which compromises recovery of rivers and their dependent communities.' (CEWH Submission)	CL	<p>This statement, attributed to CEWH, oversimplifies the nature of cease to flow events in the Northern Basin and does not relate back to the implementation of the Basin Plan.</p> <p>The Northern Basin is highly unregulated compared to the Southern Basin where there are large dams and weirs which distribute water.</p> <p>Cease flow events are naturally occurring features in the Northern Basin which highly related to rainfall and catchment runoff (natural systems).</p>
108	'However, the updates were not made in 2022. The MDBA fulfilled the requirement to review and update the BWEWS in 2019, but the opportunity to implement more important reforms was missed (such as the inclusion of an objective for shared benefits from environmental water, incorporating First Nations peoples' values and uses, and climate adaptation). The next review and update of the BWEWS is scheduled for 2024. The MDBA has initiated a work program for this update and established a working group with representatives from the CEWH and Basin states, to oversee the development of the next BWEWS (sub. 61, response to information request, p. 11).'	CL	<p>Caution needs to be exercised in relation to an update and change to BWEWS to implement important reforms' right before the Basin Plan evaluation and Basin Plan review. Any material update to the BWEWS triggers an update to the LTWPs within three months.</p> <p>Clarification on scope and timing of BWEWS review and update and acknowledgement and scope of any flow on work including LTWP update.</p>
124	Interim recommendation 3.1	RE	DRDMW has concerns on the timing of a material update to the BWEWS. Using the BWEWS to

	Improving the effectiveness of the Basin-Wide Environmental Watering Strategy		implement 'important reforms' right before the Basin Plan evaluation and Basin Plan review is not appropriate given flow on requirements to update Basin states LTWPs within 3 months. This work may also pre-empt outcome of the Basin Plan review.
124	<p>Interim recommendation 3.2 The adaptive management of long-term watering plans</p> <p>In the next iterations of long-term watering plans, Basin state governments should include:</p> <ul style="list-style-type: none"> •First Nations peoples' objectives and outcomes under all water availability scenarios for shared benefits from environmental water use (where compatible with environmental objectives) for each water resource plan area 	RE	DRDMW has concerns with regards to any material update and change to LTWPs to implement 'important reforms' right before the Basin Plan evaluation and Basin Plan review. Updates to Basin states LTWPs (within 3 months of release of reviewed BWEWS) would not allow for 'genuine, resourced partnerships' with First Nations people.
125	<p>Interim recommendation 3.3 Basin annual environmental watering priorities require review</p> <p>As part of the 2026 review of the Basin Plan, the Murray–Darling Basin Authority should assess the value of Basin annual environmental watering priorities and whether the Basin Plan requirements for these annual priorities should be amended or removed.</p>	CL	Clarification is required to understand if the Basin States AEWPs will need a major/material update in response to the MDBAs cessation in developing Basin AEWPs.
	Interim recommendation 3.4 Delivering shared benefits from the use of environmental water	RE	DRDMW has concerns that the timing of an update to BWEWS and triggered updates to Basin states LTWPs (within 3 months) would not allow for 'genuine, resourced partnerships' with First Nations people.

	<p>First Nations peoples' objectives and outcomes for providing shared benefits from environmental water use for inclusion in the Basin-Wide Environmental Watering Strategy and long-term watering plans should be developed by First Nations people through genuine, resourced partnerships with the Murray–Darling Basin Authority (for the Basin-Wide Environmental Watering Strategy) and Basin state governments (for long-term watering plans), consistent with commitments made by all governments under the National Agreement on Closing the Gap.</p>		
139	<p>Interim recommendation 4.1</p> <p>Simplify requirements for water resource plans</p>	AG	<p>DRDMW agrees with this interim recommendation. This is consistent with issues raised in our response to the Productivity Commission's information request.</p>
140	<p>Interim recommendation 4.2</p> <p>A risk-based approach to amending water resource plans</p>	AG	<p>DRDMW agrees with this interim recommendation. This is consistent with issues raised in our response to the Productivity Commission's information request.</p>
143	<p>Information request 4.1</p> <p>Reporting on compliance and other arrangements</p>	RE	<p>Any new compliance reporting should not be duplicative of current reporting and/or audit requirements and processes.</p>
159	<p>Interim recommendation 5.1</p> <p>Strengthen the roles of Aboriginal and Torres Strait Islander people in the Basin Plan</p> <p>.... 'In line with the priority reforms committed to under the National Agreement on Closing the Gap, Basin state and territory governments should:</p>	CL	<p>Queensland demonstrates progress in this area. Queensland water legislation and Government policy (Statewide Reconciliation Action Plan, Queensland Water Strategy) have established obligations to consult First Nations people on draft water resource plans, and report on cultural outcomes under water plans.</p> <p>In relation to QMBD water resource plans, see for example of documents included for accreditation:</p> <ul style="list-style-type: none"> • <i>Northern Basin Aboriginal Nations Advice on the Condamine-Balonne WRP</i> via MDBA website.

	<p>publish the input and advice received from Aboriginal and Torres Strait Islander people and organisations on draft water resource plans</p> <p>publicly report on how the advice is considered, actioned and reflected in finalised water resource plans....'</p>		<ul style="list-style-type: none"> • <i>Northern Basin Aboriginal Nations advice on the Border Rivers–Moonie water resource plan</i> are both published online via MDBA website. • <i>Water Connections - Aboriginal Peoples Water Needs in the Murray Darling Basin (2019)</i> available by request via the MDBA website.
171	<p>Information request 6.1</p> <p>Embedding climate change science into the Basin Plan framework</p>	RE	<p>The Act requires that the Basin Plan must be developed and implemented on the basis of best available scientific knowledge and socio-economic analysis: s 21(4)(b).</p> <p>The MDBA will need to work with Basin states to develop an agreed approach for considering climate change in the Basin Plan Review.</p> <p>Queensland amended the <i>Water Act 2000</i> in 2018 to embed a specific requirement under s 45 for the Minister to consider climate change when making draft water plans.</p>
174	<p>'Since 2018 there have been some improvements to the publication of information.'</p>	CL	<p>Suggest adding a dot to recognise progress in Queensland:</p> <ul style="list-style-type: none"> • The Queensland Government launched the Rural Water Futures program with one of the pillars being to provide transparent water information, including access to data and water modelling resources.
185	<p>'The provisions in the Basin Plan about CHWN for the southern Basin are more detailed than those for the northern Basin.'</p>	CL	<p>This statement is a paragraph on its own and lacks context. Suggest that reasoning behind the statement be provided. Is this to do with the different hydrology of the Southern Basin compared to the Northern Basin with the Northern Basin having less dams and weirs?</p>
188	<p>Information request 7.1</p> <p>Options to improve water quality and availability in the northern Basin</p> <p>The Productivity Commission invites participants to</p>	RE	<p>The Basin Plan ensures critical human water needs are met in the Northern Basin, primarily through Chapter 10 part 13 requirements that WRPs describe how CHWN will be met (for each WRP area) during extreme events.</p> <p>The 2026 Basin Plan Review should consider:</p>

	comment on whether the Murray–Darling Basin Plan should do more to improve water quality and ensure critical human water needs are met in the northern Basin. What options should be considered by the Murray–Darling Basin Authority in the 2026 Basin Plan Review?		<ul style="list-style-type: none"> the hydrology of the Northern Basin and where towns get their water from. the fundamental differences of the Northern Basin to the Southern Basin e.g., with more variable inflows in the north the outcomes of the Northern Basin Review in developing the Northern Basin Toolkit measures with a focus on improving environmental flows and outcomes rather than CHWN. <p>The WQ provisions in the Basin Plan for the Northern Basin are considered appropriate and fit for purpose given the unregulated nature of flows in this section of the basin.</p>
196	<p>Interim recommendation 8.1</p> <p>A comprehensive review of trading rules in the Basin Plan.</p> <p>The Murray–Darling Basin Authority (MDBA) should ask the Australian Competition and Consumer Commission (ACCC) to conduct a comprehensive review of the Basin Plan trading rules. The review should consider, among other things, how unnecessary trade restrictions should be identified and removed.</p> <p>The <i>Water Act 2007</i> (Cth) should be amended to enable the ACCC to provide advice to the MDBA about the trading rules on its own initiative. The ACCC should notify the MDBA before preparing any such advice.</p>	CL	Provisions under section 46 of the <i>Water Act 2007</i> (Cth) require the Murray-Darling Basin Authority (MDBA) to seek advice from the ACCC before proposing amendments to the Basin Plan trade rules, and the Basin Plan also includes rules that compel the MDBA to consult with ACCC on specific trade matters. The ACCC has also had extensive involvement in the recently completed MDB Water Market Inquiry which considered MDB market effectiveness including trade rules, and there are other processes underway that continue to involve the ACCC, including the MDB Water Market Reform Roadmap and the Basin Plan Evaluation 2026.
212	<p>Interim recommendation 9.1</p> <p>Extending oversight of intergovernmental funding</p>	CL	Please clarify the value of an additional or extended layer of oversight over intergovernmental funding agreements. State and Federal Treasury departments have oversight and are regularly reported to.

	<p>agreements relevant to Basin Plan implementation</p> <p>The Australian Minister for Water should prescribe by regulation the additional intergovernmental funding agreements that the Inspector General of Water Compliance should oversee.</p> <p>The Australian Government Department of Climate Change, Energy, the Environment and Water should consult with Basin state governments, the Inspector General of Water Compliance and other interested parties to determine which new and existing agreements should be prescribed and make public the rationale for including or excluding each agreement in the Inspector-General of Water Compliance's remit.</p>		<p>Current financial reporting arrangements under the FFA against KPIs provide for the Australian Government to oversee Basin State performance, providing for high levels of integrity and transparency.</p> <p>Clarify whether recommendation 9.1 is within or beyond what is currently proposed for increased Inspector-General functions and powers in the Water Amendment (Restoring our Rivers) Bill 2023 which is currently before Federal Parliament and subject to a Senate Inquiry.</p>
218	<p>Interim recommendation 9.2</p>	CL	<p>Please clarify the additional actions required for the desired outcome as there is already release of Communiques.</p>