



Australian Government



**Murray–  
Darling  
Basin**  
Authority

# **MDBA Response**

## **Productivity Commission Interim Report Murray–Darling Basin Plan: Implementation Review 2023**

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We acknowledge the Traditional Owners and Custodians of Country throughout the Murray–Darling Basin and their continuing connection to land, waters and community. We offer our respects to the people, the cultures and the Elders past, present and emerging.

Aboriginal people should be aware that this publication may contain images, names or quotations of deceased persons.

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## Summary

The Murray–Darling Basin Authority (MDBA) welcomes the Productivity Commission’s *Interim Report on the Murray–Darling Basin Plan: Implementation Review 2023*. The MDBA is pleased to provide a response ahead of the final report being delivered to the Government.

The review is an important contribution to the collective understanding and collaboration required to support the complex implementation of the Basin Plan – to achieve long-term sustainable water management at the Basin scale, across jurisdictions. The MDBA welcomes the Commission’s independent consideration of progress to date and opportunities for the future.

The MDBA also welcomes the Commission’s emphasis on the 2026 Basin Plan Review as the opportunity to make considered and appropriate changes to the Basin Plan in readiness for the next decade, in consultation with Basin communities.

The key themes the Authority has identified for the 2026 Basin Plan Review are broadly reflected in the opportunities identified in the Interim Report: the challenge of climate change, improved outcomes for First Nations people, regulatory improvements, and the environmentally sustainable level of take and associated surface water and groundwater Sustainable Diversion Limits.

This response to the Interim Report addresses some of the key elements of the report as they relate to the MDBA’s role overseeing the implementation of the Basin Plan by Basin governments. It broadly follows the chapters of the Interim Report and can be read alongside the MDBA’s [submission to the Murray–Darling Basin Plan: Implementation Review 2023](#) and response to the Productivity Commission’s [information request](#).

## Resetting the Balance

The MDBA notes the interest of the Productivity Commission in exploring a new corporate Commonwealth entity to address the anticipated water recovery shortfall. The MDBA looks forward to hearing the range of views on the merits, costs and benefits of a new body, noting that how governments recover water and the institutions they form to do so is a matter for them.

### Constraints

A focus of the interim report is the mechanism for Basin states to best implement the constraints projects that they have committed to, most of which are currently part of the Sustainable Diversion Limit Adjustment Mechanism (SDLAM). As noted in the MDBA’s 2023 Assurance report, there is likely to be a shortfall in the range of 190 to 315 GL in the 605 GL water recovery offset attributed to the implementation of SDLAM supply and constraints projects. The shortfall is expected to be at the higher end of this forecast.

The MDBA considers completion of constraints projects should remain one of the highest priorities for Basin governments. They are essential to realising the full benefit of the investments made to secure environmental water and to achieve the long-term environmental outcomes sought by the Basin Plan.

The *Water Amendment (Restoring our Rivers) Bill 2023 (before the Senate at the time of writing)* proposes that the MDBA develops a constraints relaxation implementation roadmap. Should this process be adopted, it will be important to consider the full range of options for progressing the projects in accord with the existing Constraints Management Strategy. Importantly, previous experience has shown that easing constraints also requires substantial time to properly engage with affected individuals and communities.

### **Northern Basin Toolkit**

The Northern Basin Toolkit is an important set of measures arising from the Northern Basin Review to improve environmental outcomes in that part of the Basin. The toolkit is an example of effective water management actions across jurisdictions, which complement and are delivered in parallel to the Basin Plan.

The design and intent of the toolkit is to enhance environmental outcomes, not to deliver the equivalent of 70 gigalitres in environmental outcomes. It is not directly comparable to the Sustainable Diversion Limit Adjustment Mechanism, in that implementation of the toolkit does not provide a volumetric “gigalitre offset” for water recovery.

The toolkit consists of a mix of water management enhancements (improved protection, coordination, and event-based use of environmental water) and infrastructure projects. There has been substantial progress on the water management component of the toolkit, with two of these measures fully operational and the third (protection) advancing towards completion. These measures have yielded important environmental outcomes since the first multi-jurisdictional coordination of northern environmental water releases in 2019.

Given the significant environmental outcomes the toolkit is designed to, and can deliver, the MDBA is strongly urging completion of the remaining, valuable elements of the package.

### **Reporting**

An essential part of the MDBA’s role is to report on progress by governments to deliver their commitment to Basin Plan implementation.

The MDBA maintains regular updates on the progress of implementation, including in relation to water recovery targets, through the 6-monthly Basin Plan Report Cards (released since late 2018) and annual reports on the progress of the Sustainable Diversion Limit Adjustment Mechanism (released since 2019).

Further, as part of the 2025 Basin Plan Evaluation, the MDBA will assess the environmental outcomes being achieved across the Basin by drawing on various monitoring and evaluation programs conducted by Basin state and Commonwealth agencies.

The Sustainable Rivers Audit to be delivered by the MDBA will further contribute additional information to support the 2025 Basin Plan Evaluation and build public understanding of the current status of the river system and communities.

# Environmental Water Planning and Management

Chapter 8 of the Basin Plan currently provides the framework for environmental watering. The 2026 Basin Plan Review provides the opportunity to improve the framework to achieve effective planning, better outcomes for the environment and shared benefits for First Nations people, social outcomes and recreational and economic activity.

The MDBA has identified improved regulatory design as a key theme of the Review, with the aim of ensuring streamlined processes can achieve desired Basin Plan outcomes – in this case, through the management of water for the environment. The Review will examine how the effectiveness and efficiency of both the Basin-wide environmental watering strategy and the annual environmental watering priorities can be improved, and how these relate to the Long Term Watering Plans prepared by the states.

The MDBA seeks jurisdictional input, especially from environmental water holders, regarding possible changes to the annual watering priority process, noting that improvements have already been identified to adjust the annual priorities to take a multi-year view, consistent with the MDBA's role to extend long-term, Basin-scale advice.

## **Basin-wide environmental watering strategy**

The Basin-wide environmental watering strategy (BWS) is an important guide for environmental water holders to give effect to the long-term, Basin-scale environmental objectives of the Basin Plan. The strategy underscores the connectivity that the Basin's river system needs, across jurisdictions from north to south, to be healthy and sustainable. It contains guidelines for how local strategies can deliver the on-ground results, including state-based natural resource management, with a view to whole of Basin outcomes.

The strategy is prepared and maintained by the MDBA and must be reviewed and updated every five years. The third edition of the BWS is due to be published in November 2024. The MDBA is currently working with the Commonwealth Environmental Water Holder and Basin states on the scope and desired outputs from the BWS review. The review will incorporate the outcomes from the 2019 review and lessons learnt by environmental water holders.

In relation to the Commission's recommendation that the 2024 BWS should provide a clear articulation of the relative priority of key environmental assets, the MDBA is currently working with research partners on a Basin-wide conservation prioritisation framework. Commissioned as part of the Murray–Darling Water and Environment Research Program, this project aims to identify places of high conservation value and to prioritise management actions to conserve their critical assets, values and functions. The work is expected to be completed in mid-2025 and will therefore not be ready in time to be included in the 2024 BWS. Instead, it will inform the review of Chapter 8 to be conducted as part of the 2026 Basin Plan Review and future versions of the BWS.

## **First Nations and healthy Country**

The MDBA acknowledges the important contribution First Nations people can make to environmental water planning throughout the Basin. Traditional Knowledge and the role of First Nations people caring for Country play an important role in supporting better outcomes.

First Nations' interests and objectives in environmental water planning is a key topic also considered for inclusion in the 2024 BWS. This work seeks to bring together the knowledge of First Nations science and western science, with First Nations people, to improve healthy Country outcomes. First Nations water objectives will support ongoing and inter-generational cultural practices, improved health and wellbeing, and decision-making and access to water for First Nations interests.

## Water Resource Plans

It is the intent of the Basin Plan that water resource plans are based on Basin state water management arrangements. Water resource plans (WRPs) must be consistent with all 55 requirements, and the associated sub-requirements, of Chapter 10 of the Basin Plan.

The current WRP requirements in Chapter 10 place a substantial burden on Basin states to prepare their plans and on the MDBA to assess their consistency with these requirements. Each of the requirements must be met and all are treated equally.

Basin states are required to report annually on compliance with WRPs and on the efficiency and effectiveness of the operation of WRPs every 5 years. The adequacy of arrangements for reporting on WRPs cannot be properly and fully determined until all plans are accredited and operational. Experience to date suggests there is scope to clarify the responsibilities and expectations on the different reporting entities prescribed through Schedule 12 of the Basin Plan.

### **Regulatory design and the 2026 Basin Plan Review**

The MDBA's intention is to consider the effectiveness of the operation of WRPs as part of the 2025 Basin Plan Evaluation.

The MDBA will then consider whether there is an opportunity to simplify the process of amending and remaking WRPs in the course of reviewing the Basin Plan's regulatory design in 2026.

This will involve considering the requirements set out in Chapter 10 of the Basin Plan to streamline and enhance efficiency and effectiveness. It will also provide opportunities to clarify roles and expectations of all parties involved in the development, accreditation, implementation and monitoring of water resource plans.

The Review will enable a focus on the Basin Plan's central elements as expressed through the WRPs, which are critical to state management arrangements including compliance with sustainable diversion limits, the protection of environmental water, and meaningful involvement of First Nations people in water planning and management.

The Review is also the chance to consult broadly with stakeholders on the essential requirements to support adaptive water management into the future.

The potential for improving regulatory design extends beyond provisions related to WRPs. There is an opportunity, for example, to consider the framework for Monitoring and Reporting (Chapter 13) to simplify and improve these arrangements to draw a better distinction between the evaluation function of the MDBA and the compliance function of the Inspector-General of Water Compliance.

# The Values of First Nations People

Each year, the MDBA reports on how, when planning for environmental watering in the Murray–Darling Basin, holders of held environmental water have considered Indigenous values and Indigenous uses and involved Indigenous people. This report fulfils a Direction issued pursuant to section 175 of the Water Act 2007.

The MDBA engages with First Nations in line with the principles of Free, Prior and Informed Consent (FPIC) and the Akwé: Kon Guidelines. These frameworks ensure the First Nations of the Basin are engaged in an appropriate and respectful manner.

The MDBA's overall approach to engaging First Nations people needs to be responsive to their preferences for how to be engaged, including through relationships with individual or groups of Nations, or First Nations representative organisations.

First Nations people have told the MDBA they have strong aspirations for greater and more meaningful involvement in decision-making, for water ownership, for greater access to land and waterways to enable them to care for Country, for access to clean drinking water, and for their deep knowledge of our rivers to be respected.

The Basin Plan is not the vehicle to address many of these aspirations – they are or will be advanced by the actions of governments as they progress their broader policy agendas. Nonetheless, there is more we can do in the context of the Basin Plan. That is why the MDBA has identified improving outcomes for First Nations people as one of the 4 priority themes for the 2026 Basin Plan Review. This means seeking to actively progress, support and amplify opportunities for progress in First Nations' involvement in water management.

The MDBA has released the Roadmap to the Review to help the community understand the work we have planned and the key steps over the next 3 years.

Since the roadmap release, the MDBA has taken the opportunity to present it to interested First Nations groups and gatherings, leveraging where possible the activities of others (such as DCCEEW's Aboriginal Water Entitlement's Program gatherings, or meetings hosted by First-Nations).

In these presentations we have been sharing the key themes of the Review and key steps along the way. We have been asking First Nations people how they would like to be involved, and the priority areas that they would like to be involved in through the review.

To support input into the Basin Plan Evaluation and 2026 Review, the MDBA is preparing a report *Looking Back to Move Forward* to collate publicly available information that has previously been provided on the aspirations of First Nations people, progress towards these aspirations, and the contribution of the Basin Plan. We will test a draft of this report with First Nations people to ensure it captures the diversity of views and experiences of Basin Plan implementation.

In the meantime, the MDBA will continue to work within the existing Basin Plan settings, including in the assessment of water resource plans, acknowledging that there remains deep dissatisfaction in some areas with First Nations engagement and consultation methods.

First Nations people have shared their experience of consultation fatigue and lack of support to participate. The MDBA is one of the few agencies to provide long-term ongoing financial support for



First Nations groups to participate in Basin water management, and groups are often not supported with resourcing for the broader range of work that they are being approached by other agencies to do.

## Bringing New Knowledge into the Basin Plan Framework

### Climate change

The MDBA is supporting several significant collaborative research programs to identify likely impacts of climate change on social, cultural, economic, and environmental conditions in the Basin. Initiatives such as the Murray–Darling Water and Environment Research Program, the Basin Condition Monitoring Program, the Sustainable Rivers Audit, and the Murray–Darling Basin Sustainable Yields project are contributing to a deeper understanding of risks to Basin Plan objectives.

The outcomes of these programs will further inform the adaptively managed components of the Basin Plan that respond to climate variability and longer-term climate change, which include:

- sustainable diversion limits – as a long-term average that varies from year to year in response to annual climate variability
- the requirements in water resource plans that the risks to water resources be considered
- the recovery of water for the environment, which provides the river system with a buffer in times of low water availability
- the Basin-scale environmental watering framework
- adaptive management of water resources, including regular reviews.

The MDBA is also working with the Basin states to improve the collective capability to explore climate impacts across the Basin through the Integrated River Modelling Uplift Program. An interjurisdictional Strategic Hydroclimate Working Group has also been established (a Tier 2 Basin Officials Committee) to provide advice on developing and applying Basin-scale hydroclimate information. Extensive work is underway by each jurisdiction to develop and apply high quality information, including on climate change, noting there are systematic differences underlying each approach and significant structural differences in how climate model projections are applied.

Climate change is one of the four key themes of the 2026 Basin Plan Review. As part of the Review, the MDBA is investigating how the Basin Plan can be improved to respond to climate change in a way that continues to draw on the best available scientific knowledge, including appropriately considering the interaction of climate variability and climate change and the outcomes the Basin Plan seeks to achieve.

In preparation for the Review, the Outlook report to be released in 2025 will provide a vulnerability assessment of the Basin under future climates. The MDBA has committed to transparency in conducting the Review. It is intended that underlying evidence and reasons for decisions made by the MDBA about climate change, SDLs or other elements of the Review will be publicly available.

### Knowledge sharing

Much of the MDBA's work in developing and sponsoring improved scientific understanding of the Basin involves knowledge generation and sharing. The MDBA is guided in its work by the deep experience and expertise of the independent Advisory Committee on Social, Economic and Environmental Sciences, as well as being a Tier One partner in the One-Basin Cooperative Research Centre. Research results and analysis regularly undergo science review and quality assurance

processes, carried out by independent and external subject-matter experts, such as expert panels, universities, research institutions, or other technical experts within government agencies. This involves publication on the MDBA website whenever practicable. The diversity of the MDBA's science outreach reinforces the strength of our approach to building scientific knowledge to support a sustainable future for the Basin.

In relation to science investment across Basin governments, the MDBA encourages a greater focus on collaboration rather than centralised coordination. There is value in diversity of scientific approaches, and Basin governments strategically invest in new knowledge based on their policy, planning and operational needs. Differences in approach are not in themselves to be discouraged – identifying and relying on a single source of truth can test levels of trust and collaboration, and expectations would be best met through a rich and diverse body of inquiry combined with a strong multi-jurisdictional commitment to transparency about the evidence base used to inform decisions.

The MDBA is leading a range of Commonwealth science investments to support the 2026 Basin Plan Review. It is anticipated that the Review will foreshadow emerging and future challenges for water management across the Basin and will establish the Basin's science and information needs into the next decade. Likely issues that will require investments in research will include a greater understanding of the concepts of resilience and sustainability in the Basin and where the greatest vulnerabilities exist, for the environment as well as for communities and industries.

## Water Quality and Critical Human Water Needs

The MDBA acknowledges concerns in some communities of the Basin about the security of water to meet critical human needs and the likely increase in water quality incidents under a changing climate.

The Basin Plan (Chapter 11) and Murray–Darling Basin Agreement work together to prioritise water for critical human water needs in the River Murray system. This is done by setting the volumes required to meet and deliver water for critical human needs and by establishing a tiered approach to water sharing in the River Murray System, which allows for system-wide escalation of a shared response to extreme drought.

All accredited WRPs across the Basin must also describe how Basin states plan to meet critical human water needs during extreme events. Basin states are then required to report on their compliance with WRPs under Schedule 12, but beyond this the Basin Plan does not ascribe a role for the MDBA in managing or meeting critical human water needs in the northern Basin nor does it allow for a method to escalate a response given extreme drought. The Basin Plan Review is an opportunity to review the adequacy of these requirements and obligations.

Where WRPs are not accredited and operational, the effectiveness of the Basin Plan's arrangements for meeting critical human water needs cannot be evaluated.

Water quality targets and objectives, as well as critical human water needs under the climate theme, will be considered as part of the 2026 Basin Plan Review.

Climate change is likely to result in reduced inflows and increased extreme events that may affect how much water is available in terms of volume and quality to meet critical human water needs. Key science programs underway to inform the Review, including the Sustainable Yields Project, will provide

further updates in the knowledge base as we plan for the future. The Review will consider areas of ongoing concern regarding water quality and availability issues, including the limitations of existing Basin Plan provisions for critical human water needs, and the roles and responsibilities of state governments in establishing measures to meet critical human water needs during extreme events, as required by the Basin Plan.

## Trading Rules

The MDBA would consider the timing and scope of advice sought from the Australian Competition and Consumer Commission (ACCC) on the Basin Plan trading rules in the context of the Water Act requirement to obtain and have regard to the advice of the ACCC in preparing a Basin Plan amendment (s 47(2)). Our request for advice will take into account any changes to Chapter 12 arising from the *Water Amendment (Restoring Our Rivers) Bill 2023* to avoid any unnecessary review of recent changes.

Through the 2026 Basin Plan Review, there is an opportunity to take stock of the Basin Plan water trading rules in the context of changes in Basin management and market conditions over the past decade. Key considerations might include the ecological and river management implications of trade, how water trade and transfer rules are used to maximise the environmental outcomes of held environmental water and the role of Basin water markets as a climate adaptation mechanism. The MDBA has the role of providing independent advice to Government on the Basin Plan regulatory framework. As part of this work, any proposed changes to the Basin Plan water trading rules need to be complemented by fit-for-purpose assessment of the impacts and merits of policy options.

## Governance and Engagement

The success of the Basin Plan requires the MDBA to perform its role as an independent statutory agency in strong collaboration with Basin state governments, who retain primary responsibility for water resource management, and the Commonwealth as an enabling party to joint initiatives. To this end, strong interjurisdictional governance and institutional arrangements through the Ministerial Council and the Basin Officials Committee are critical to effective, efficient and adaptive management of water resources in the Basin.

The majority of decision-making remains with the Ministerial Council, to which the MDBA supports in an advisory role.

The Basin Community Committee (BCC) is also an essential link with the Basin's local and regional communities.

The MDBA has and continues to support initiatives that provide two-way opportunities for exchange between decision-making bodies and the BCC. Initiatives have included:

- joint meetings between the BCC, Basin Officials Committee and the Authority
- BCC updates at Ministerial Council meetings
- regular attendance of the Basin Officials Committee Chair at BCC meetings.

The BCC has provided clear advice to the MDBA and Basin Governments on the importance of quality engagement and transparency, through the development of transparency principles.

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**Office locations** – *First Nations Country*

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