



## **Implementation of the Murray-Darling Basin Plan 2023:**

### **Productivity Commission Information Request – Department of Climate Change, Energy, Environment and Water**

#### **Productivity Commission Instructions**

The purpose of this request is to collect information for the Productivity Commission's 2023 assessment of the effectiveness of the implementation of the Murray-Darling Basin Plan and water resource plans. Your response will inform the assessment and any recommendations for improving the framework. This inquiry is required under the *Water Act 2007* (Cth) and is the second such inquiry conducted by the Commission – the previous assessment was conducted in 2018.

We plan to release a draft report in September and our final report is due on 19 December 2023. Further information about the inquiry, including the terms of reference, can be found on our [website](#).

Please find attached our call for submissions, which discusses the scope of our inquiry and sets out a number of questions. We invite you to provide a submission addressing these questions. We also ask that you address the more specific questions set out below, either in your submission or in this document.

Submissions and responses to information requests are due **31 July 2023**. However, given the importance of your agency's input and our tight timeframe, we would appreciate your submission and response earlier, if at all possible.

Please respond to each question and include any relevant documents or weblinks. If a major change is likely in a particular area between now and December, please indicate this in the relevant section, along with likely timing.

Clearly mark any information that is confidential and provide reasons. Information not marked as confidential may be cited in our report and published on our website. The questions in this information request may also be published.



## **Department of Climate Change, Energy, Environment and Water Response**

### **Information request 1: Implementation challenges**

***1(a) What are the three biggest challenges the Department of Climate Change, Energy, Environment and Water will face in implementing the Basin Plan over the next five years? How does the department intend to address these challenges?***

#### **Response:**

The three biggest challenges the Department of Climate Change, Energy, Environment and Water (department) will face over the next five years in implementing the Basin Plan are as follows:

1. Delivering all elements of the Basin Plan, including water recovery to bridge the gap, 450 GL of additional environmental water, and the supply, constraints and toolkit measures under the Sustainable Diversion Limit Adjustment Mechanism (SDLAM)
2. Accounting for new knowledge and information
3. Engaging effectively with key stakeholders about Basin Plan implementation, particularly First Nations peoples and Basin communities.

Following are the department's efforts to address these challenges.

#### *Delivering the Basin Plan*

At the Murray–Darling Basin Ministerial Council (Ministerial Council) meeting on 24 February 2023, ministers tasked officials to develop a package, including accountability measures and work programs to deliver the Basin Plan in full, and to report to ministers at the next meeting, to be held later this year.

In July 2023, Minister for the Environment and Water, the Hon Tanya Plibersek MP (the Minister), asked the Murray–Darling Basin Authority (MDBA) for advice on progress to date on the Basin Plan and the prospects of meeting water recovery targets by 30 June 2024. This advice found that based on current progress towards water recovery, SDLAM projects, WRPs and northern Basin initiatives, the Basin Plan will not achieve its intended outcomes by 30 June 2024. The advice is available at [MDBA advice on Basin Plan implementation](#).

The agreement of Murray–Darling Basin ministers to deliver the Basin Plan in full, announced by Minister Plibersek on 22 August 2023, is a historic and a pivotal step towards putting the Basin on a healthy and sustainable path. The legislation necessary to implement this agreement will be introduced into the Australian Parliament in September 2023. The agreement is available at [Deal to guarantee a future for the Murray–Darling Basin](#).



Despite the implementation challenges, the Basin Plan remains our best opportunity to secure the future of Australia's most iconic river system, and the ongoing viability of the communities and industries that depend on the Basin. The Australian Government remains committed to achieving long-term sustainable outcomes for the Basin and will continue to work with Basin states to deliver the Basin Plan in full.

The department continues to engage in these efforts and is in close negotiations on the way forward with Basin governments and the public on:

- innovative ideas to deliver the Basin Plan in full
- delivery of supply and constraint projects
- water recovery settings and bridging the gap
- WRPs
- Water market transparency

The government is working to bridge the remaining gap in water recovery, through a voluntary, strategic tender process. The department released a tender for the strategic water rights purchase of 44.3 gigalitre per year (GL/y) to deliver the Basin Plan. The tender opened on 23 March 2023 and closed on 19 May 2023. The tender sought responses that offered water rights for purchase in six catchments across New South Wales (NSW) and southern Queensland, with a remaining gap to bridge. The tender marks an important step in delivering the current 'bridging the gap' target of 2,075 GL/y.

The department recently conducted a five-week public consultation seeking community ideas to deliver the Basin Plan in full. This included social media advertising, a public webinar and targeted workshops with peak stakeholder organisations. The results will be published in a 'what we heard' report in August 2023. More information is available at [Consultation Hub - Delivering the Murray-Darling Basin Plan](#).

#### *Accounting for new knowledge and information*

Since the development of the Basin Plan, climate change science, knowledge, and modelling have progressed significantly. This includes the capability to project future conditions with higher resolution and confidence, and a greater understanding of impacts and adaptation options. It is important to appropriately consider this new evidence and information base.

Accounting for and updating the science and research base that informs and underpins water planning and management is part of the government's five-point plan to safeguard the Murray-Darling Basin.

To build resilience against a changing climate, the government is updating Murray-Darling Basin science including by:

- assessing the impact of climate change on 16 Ramsar listed wetlands in the Basin to support their future protection and management



- reinstating the Sustainable Rivers Audit to track and report on health of Basin rivers. This will inform the 2026 Basin Plan Review
- updating the CSIRO Sustainable Yields study to show how much water will be available in the future with climate change.

The Murray–Darling Water and Environment Research Program (MD-WERP) will assist the government in addressing Basin Plan objectives and responding to emerging issues by investing in short-term, tactical projects. These investments will involve the delivery of short-term outputs to assist decision and policy makers on water management, river operations, and Basin Plan implementation.

The department intends to map science initiatives and investments to ensure alignment of the direction for projects going forward and to ensure lessons learned are appropriately captured and considered.

### *Engagement*

The department is committed to improving participation by First Nations peoples in decision making and water management. This involves a commitment to several initiatives, including:

- consulting on ways to hold First Nations water to benefit communities
- improving water security for First Nations communities
- Aboriginal Water Entitlements Program
- Committee on Aboriginal and Torres Strait Islander Water Interests.

To address community and stakeholder concerns about the Basin Plan, the department intends to use communications and engagement tools to:

- provide factual, scientific based information on climate impacts and outline unsustainable situations
- highlight historic outcomes achieved over the multi-billion investment made since 2012
- address low water literacy in Basin communities including updates on emerging issues and reforms
- communicate the government's planned return to water recovery and dispel misinformation
- explain environmental water benefits to the health of our rivers and for broader communities
- establish two-way community participation through promotion of government channels/consults
- assist in preventing distortion of Australia's water markets using clear communications
- use dedicated First Nations communication channels to inform First Nation communities.



## **Information request 2: Water resource plans**

### ***2(a) What is the process for considering recommendations from the MDBA and First Nations organisations about whether or not to advise the Minister to accredit a WRP?***

#### **Response:**

When a Basin state submits a draft WRP, the MDBA assesses whether it meets the requirements of the Basin Plan. As part of the assessment process, the MDBA consults with First Nations organisations on Indigenous values and uses.

Following the assessment on whether the Basin Plan requirements are met, the MDBA meets to decide whether to recommend to the Minister that the WRP be accredited.

If accreditation of the WRP is recommended, the MDBA writes to the Minister with this advice and includes its report on the assessment of the WRP. The report includes full details of the First Nations consultation and the responses received, as measured against the requirements of the Basin Plan.

In addition to the MDBA material, the Minister receives a departmental brief which considers the key factual and legal points pertaining to the accreditation decision, including the outcomes of the First Nations consultation processes. The brief includes a recommendation to the Minister for her decision.

### ***2(b) What funding has the Commonwealth provided to Basin States to facilitate the timely development of WRPs?***

#### **Response:**

Under the Inter-Governmental Agreement on Water Reform in the Murray Darling Basin clause 7.1 the government committed to 'provide financial support to the Basin States via the National Partnership Agreement on Implementing Water Reform in the Murray–Darling Basin (the NP). This is in recognition of the costs that Basin States will incur as a result of implementing the Basin Plan through activities including, but not limited to, preparing new Water Resource Plans consistent with the Basin Plan....'.

The National Partnership Agreement (2012-2020) at clauses 3a, 9b and 10c identified that funding was provided in part to support the preparation of WRPs. However, none of the performance milestones in schedule A of the agreement identified the preparation of WRPs as a requirement for funding to be provided to the states.

The Federation Funding Agreement (FFA) environment schedule for 'Implementing water reform in the MDB (2021 -2024)' includes two milestones and KPIs that are related to the performance of WRPs, including KPI 6. Ensure state water planning frameworks remain consistent with the Basin Plan. On the basis that NSW did not have any WRPs in place by June 2022, the government withheld funding against that KPI for the 2021-22 year.



### Information request 3: Funding

**3(a) Please fill in the below table of overall Basin Plan implementation funding commitments and actual expenditure since 30 September 2018. It is an update to table 3.2 from our 2018 inquiry (p. 107, available here: <https://www.pc.gov.au/inquiries/completed/basin-plan/report/basin-plan.pdf>).**

	Total funding committed to Basin Plan implementation	Expenditure from 1 July 2007 to 30 June 2018	Expenditure from 1 July 2018 to 31 May 2023	Amount under contract but not yet expended as at 31 May 2023	Remaining funding as at 31 May 2023
<b>Total</b>	<b>13,343</b>	<b>8,286</b>	<b>1,775</b>	<b>502</b>	<b>2,780</b>
Sustainable Rural Water Use and Infrastructure Program	9,260	6,602	1,034	353	1,271
- Bridging the Gap – Purchase	2,832	2,651	181	-	-
- Bridging the Gap – Infrastructure	3,120	2,780	198	-	142
- Northern Basin Toolkit	180	-	42	102	36
- Supply measures	1,212	35	235	215	727
- Response to the final report of the Independent Assessment of the 2018-19 Fish Deaths in the Lower Darling	55	-	31	17	7
- Aboriginal Water Entitlement Program	40	-	-	-	40
- Other infrastructure programs and measures	1,821	1,136	347	19	319
Water for the Environment Special Account (administered only)	1,775	13	374	125	1,263
- Efficiency measures	1575	9	312	63	1,191
• Commonwealth On-Farm Further Irrigation Efficiency	13	8	5	-	-





	Total funding committed to Basin Plan implementation	Expenditure from 1 July 2007 to 30 June 2018	Expenditure from 1 July 2018 to 31 May 2023	Amount under contract but not yet expended as at 31 May 2023	Remaining funding as at 31 May 2023
Program - South Australian pilot					
• Murray–Darling Basin Water Infrastructure Program	2	-	2	-	-
• Water Efficiency Program	12	-	11	1	-
• Off-farm Efficiency Program	1,543	-	292	61	1,190
• Other projects and activities	5	1	2	1	1
- Constraints measures	200	4	62	62	72
Implementing water reform in the Murray–Darling Basin	194	87	83	24	-
South Australian River Murray Sustainability Program	265	234	31	-	-
Water Research Goyder Institute	8	-	-	-	8
Water Smart Australia	332	332	-	-	-
Other Basin commitments	1,509	1,018	253	-	238

Notes:

- All figures are shown in millions and rounded.
- The period reported extends from 1 July 2007 through to the end of the forward estimates period (2026-27).
- Administered and departmental funding is provided unless otherwise identified.
- Funding for water reform programs invested outside the Murray–Darling Basin is excluded. This covers \$273 million invested through the Sustainable Rural Water Use and Infrastructure Program in national activities.
- Funding includes programs and measures managed by other Australian Government entities. Funding committed is based on the initial Budget measure. Australian Government entities managing water reform programs and measures



includes the Department of Climate Change, Energy, the Environment and Water, the Murray–Darling Basin Authority (MDBA), the Bureau of Meteorology (BOM), the Australian Competition and Consumer Commission (ACCC), the National Indigenous Australians Agency (NIAA) and the Department of the Treasury.

- Expenditure on Departmental appropriation and programs and measures managed by other Australian Government entities is assumed and calculated on a pro rata basis.
- Contracted information is not shown for Departmental appropriation or for programs and measures managed by other Australian Government entities.
- Funding for the Strategic water purchasing – Bridging the Gap 2023 round is not included under the Sustainable Rural Water Use and Infrastructure Program due to market sensitivities.
- Funding for the South Australian River Murray Sustainability Program is administered only and covers funding managed across multiple Australian Government entities.
- Funding for Water Smart Australia is administered only and excludes program investment outside the Murray–Darling Basin.
- Other Basin Commitments includes funding for the ACCC water market inquiry, Office of the Inspector General of Water Compliance, recent budget funding for water market reform and compliance and science and departmental funding for basin plan implementation, Basin Plan and Compliance activities by the MDBA, South Australian programs on floodplain infrastructure and bioremediation and vegetation, the Living Murray and Murray Environmental Flows, funding for cities and towns and urban water and desalination, Water for Fodder and Murray–Darling Basin Regional Economic Diversification Programs and funding for the new First Nations Environmental Water Partnerships Pilot Program and Strengthening First Nations for the NIAA.





**3(b) What new funding has been committed to Basin Plan implementation since 18 December 2018 (when our previous implementation review concluded)? Please fill in the below table and add further rows as required.**

Measure name	Date of commitment	Amount committed (\$ million)	Amount expended to 31 May 2023 (\$ million)	Description	Link to further information
Australian Government Response to the final report of the Independent Assessment of the 2018-19 Fish Deaths in the Lower Darling	10 April 2019	70+	31.2	The government committed funding to a range of new initiatives to address the findings and recommendations in the report. This element was not through a formal budget process or measure. Funding was made available from Murray–Darling Basin funds within the <i>Sustainable Rural Water Use and Infrastructure Program</i> .	<a href="https://www.dcceew.gov.au/about/reporting/obligations/government-responses/vertessy-report">https://www.dcceew.gov.au/about/reporting/obligations/government-responses/vertessy-report</a>  <a href="https://nationals.org.au/federal-government-responds-to-independent-report-into-fish-deaths/">https://nationals.org.au/federal-government-responds-to-independent-report-into-fish-deaths/</a>
Drought Response, Resilience and Preparedness Plan — additional support for farmers and communities in drought	2019-20 MYEFO	Not published at the time	35.1	The government supported farmers and communities through local stimulus, through making agriculture more sustainable and by working in partnership with the states as part of the <i>Australian Government Drought Response, Resilience and Preparedness Plan</i> . The Plan aimed to support drought affected communities through every Commonwealth service that touches them and their community. Water funding as part of this measure was for the <i>Water for Fodder Program</i> .	<a href="https://www.agriculture.gov.au/sites/default/files/documents/aust-govt-drought-response-plan_0.pdf">https://www.agriculture.gov.au/sites/default/files/documents/aust-govt-drought-response-plan_0.pdf</a>  <a href="https://www.dcceew.gov.au/water/policy/programs/completed/water-for-fodder">https://www.dcceew.gov.au/water/policy/programs/completed/water-for-fodder</a>
Murray–Darling Communities Investment Package	2020-21 Budget	269.6	219.4	A package of measures to achieve a sustainable and certain future for the Murray–Darling Basin, its people, industries and environment in response to findings of the <i>Independent Assessment of the Social and Economic conditions in the Murray–Darling Basin</i> and the <i>First Review of the Water for the Environment Special Account</i> . This package was partially offset (\$91.5 million) by funding from the <i>Water for Fodder</i>	<a href="https://www.dcceew.gov.au/sites/default/files/documents/murray-darling-communities-investment-package.pdf">https://www.dcceew.gov.au/sites/default/files/documents/murray-darling-communities-investment-package.pdf</a>



Measure name	Date of commitment	Amount committed (\$ million)	Amount expended to 31 May 2023 (\$ million)	Description	Link to further information
				<i>and Sustainable Rural Water Use and Infrastructure programs.</i>	
Murray–Darling Basin - managing water resources	2021-22 Budget	1543.5	295.6	The government will provide \$1.5 billion over four years from 2020-21 for a package of measures to continue efforts to achieve a sustainable and certain future for the Murray–Darling Basin (Basin), its people, industries and the environment. This includes \$1.5 billion (offset from the <i>Water Efficiency Program</i> ) for water saving initiatives through the <i>Off-Farm Efficiency Program</i> and \$3.5 million in 2021-22 to establish an expert panel to support the development of a water market reform roadmap. This measure builds on the 2020-21 Budget measure titled <i>Murray–Darling Communities Investment Package</i> .	<a href="https://archive.budget.gov.au/2021-22/bp2/download/bp2_2021-22.pdf">https://archive.budget.gov.au/2021-22/bp2/download/bp2_2021-22.pdf</a>  <a href="https://www.dcceew.gov.au/water/policy/programs/open/off-farm-efficiency-program">https://www.dcceew.gov.au/water/policy/programs/open/off-farm-efficiency-program</a>
Water - supporting the Murray–Darling Basin	2022-23 March Budget	139.9	4.7	The government will provide a further \$139.9 million over 3 years from 2021-22 to continue investments to achieve a sustainable Murray–Darling Basin (Basin) by improving river health, enhancing environmental water outcomes and stimulating economic activity in Basin communities. The full cost of this measure will be met from within existing resources. This measure builds on the 2021-22 MYEFO measure titled <i>Murray–Darling Basin – improving infrastructure and environmental outcomes</i> and the 2021-22 Budget measure titled <i>Murray–Darling Basin – managing water resources</i> .	<a href="https://archive.budget.gov.au/2022-23/bp2/download/bp2_2022-23.pdf">https://archive.budget.gov.au/2022-23/bp2/download/bp2_2022-23.pdf</a>
Murray–Darling Basin – delivering on water commitments	2022-23 October Budget	Not published due to	3.7	The government will provide initial funding towards meeting environmental water targets under the Murray–Darling Basin Plan. The financial implications for this measure are not for	<a href="https://archive.budget.gov.au/2022-23-">https://archive.budget.gov.au/2022-23-</a>



Measure name	Date of commitment	Amount committed (\$ million)	Amount expended to 31 May 2023 (\$ million)	Description	Link to further information
		commercial sensitivities		publication (nfp) due to commercial sensitivities. This measure will be partially offset by redirecting funding from within the Climate Change, Energy, the Environment and Water portfolio. Spending to date has been departmental funding supporting this measure's implementation.	<a href="https://archive.budget.gov.au/2022-23-october/bp2/download/bp2_2022-23.pdf">october/bp2/download/bp2_2022-23.pdf</a>
Murray–Darling Basin – compliance and science	2022-23 October Budget	51.9	7.1	The government will provide \$51.9 million over 5 years from 2022–23 to strengthen the Murray–Darling Basin Plan by updating the science to account for the impacts of climate change and restore trust and transparency in water management. Funding includes \$29.0 million over 5 years to improve trust in the management of water resources in the Murray–Darling Basin through improvements to the metering and monitoring of water use and increasing regulatory compliance and \$22.9 million over 4 years from 2022–23 to update the science for water management in the Murray–Darling Basin ahead of the statutory Basin Plan review in 2026.	<a href="https://archive.budget.gov.au/2022-23-october/bp2/download/bp2_2022-23.pdf">https://archive.budget.gov.au/2022-23-october/bp2/download/bp2_2022-23.pdf</a>
Murray–Darling Basin - water market reforms	2022-23 October Budget	Not published at the time due to commercial sensitivities	4.5	The government will provide funding over 5 years (with an ongoing component) to respond to the Australian Competition and Consumer Commission’s Murray–Darling Basin water markets inquiry by improving the transparency and integrity of water market.	<a href="https://archive.budget.gov.au/2022-23-october/bp2/download/bp2_2022-23.pdf">https://archive.budget.gov.au/2022-23-october/bp2/download/bp2_2022-23.pdf</a>  <a href="https://minister.dcceew.gov.au/plibersek/media-releases/reforming-australias-water-markets">https://minister.dcceew.gov.au/plibersek/media-releases/reforming-australias-water-markets</a>



Measure name	Date of commitment	Amount committed (\$ million)	Amount expended to 31 May 2023 (\$ million)	Description	Link to further information
Water for Australia Plan	2022-23 October Budget	2.6	1.0	The government will provide \$2.6 million over two years to support the future-proofing of Australia's water resources by delivering the government's commitments to national and First Nations water reform. As part of this measure, the government transferred funding and responsibility for administering the Aboriginal Water Entitlements Program from the National Indigenous Australians Agency to the department. This measure also captured budget changes to a number of programs including a number of measures from the 2022-23 March Budget. Costs of this measure will be partially met from within the existing resourcing of the department.	<a href="https://archive.budget.gov.au/2022-23-october/bp2/download/bp2_2022-23.pdf">https://archive.budget.gov.au/2022-23-october/bp2/download/bp2_2022-23.pdf</a>
Future-proofing the Murray–Darling Basin	2023-24 Budget	148.6	0.0	The government will provide \$148.6 million over 4 years from 2023–24 towards the sustainability of the Murray–Darling Basin including \$103.7 million for the MDBA to prepare for and undertake the first statutory review of the <i>Murray–Darling Basin Plan 2012</i> and \$44.9 million for the department to provide advice and work with Basin states and affected communities on the Basin Plan. This measure builds on the 2022–23 October Budget measures titled <i>Murray–Darling Basin Plan – compliance and science</i> and <i>Murray–Darling Basin – delivering on water commitments</i> .	<a href="https://budget.gov.au/content/bp2/download/bp2_2023-24.pdf">https://budget.gov.au/content/bp2/download/bp2_2023-24.pdf</a>

**Notes:**

\* Amounts include departmental and administered costs as announced and spent (to 31 May 2023) in millions of dollars, rounded to 1 decimal place.

\* All amounts committed are listed as announced at the time. Initiatives are sometimes reannounced as part of a subsequent measure or package, rescoped or terminated with related budget redirection.



Measure name	Date of commitment	Amount committed (\$ million)	Amount expended to 31 May 2023 (\$ million)	Description	Link to further information
* Entities funded through these measures include: the Department of Climate Change, Energy, the Environment and Water (referenced above as the department), the Murray–Darling Basin Authority, the Bureau of Meteorology, the Australian Competition and Consumer Commission, the National Indigenous Australians Agency and the Department of the Treasury.					
* Departmental funding and funding to other entities outside the department are captured as per originally appropriated and spend is reported on a pro rata basis.					
* Full announced budget has been included; some measures may have funding outside the forward estimates period.					
* Measures listed in this 3b response are not listed separately on the 3a response given there is not a one to one relationship between measures, appropriations, programs and sub-programs.					



## Information request 4: Environmental water recovery – Bridging the Gap

**4(a) What is the current status of excess water recovery in the Basin? What amounts, and in which catchments, have been confirmed as over-recovered, and where else might excess recovery have occurred? What plans are in place to address this?**

### Response:

The following surface water Sustainable Diversion Limit (SDL) resource units are currently estimated to have excess water recovery, shown in gigalitres per year (GL/y), and subject to the caveats listed below:

- Moonie 0.8
- QLD Border Rivers 0.4
- Warrego 0.02
- Gwydir 5.0
- Macquarie-Castlereagh 38.2
- Lower Darling 0.9
- Murrumbidgee 6.5
- Broken 0.2
- Campaspe 0.3
- Goulburn 12.9
- Loddon 1.4
- Ovens 0.1
- Vic Murray 1.9
- Wimmera-Mallee 0.2
- SA Murray 9.2

The excess recovery volume in a number of these resource units assumes completion of the full 605 GL/y package of supply measures under the Sustainable Diversion Limit Adjustment Mechanism (SDLAM), as well as the accreditation of NSW's draft 2018 long-term diversion limit equivalent (LTDLE) factors by the MDBA.

Recovery volumes are still subject to change in the NSW SDL resource units which are yet to have their Water Resource Plans (WRPs) accredited by the MDBA. The LTDLE factors used in those resource units may be revised in line with updated modelling assumptions used for the development of the WRPs. Of note, changes made to draft LTDLE factors will impact the calculation of final water recovery volumes.

A reduction to the 605 GL/y package of SDLAM supply measures may also result in existing excess recovery being absorbed by higher SDL recovery targets in a number of southern basin resource units.

Excess surface water recovery will therefore only be confirmed once all NSW WRPs are accredited and the reconciliation of the SDLAM supply measure package is completed by the MDBA in 2024.





***4(b) How has the Department planned for the risk of a substantial shortfall in the supply measure contribution toward Bridging the Gap? Has the Department developed a framework for how the risk assignment provisions under Division 4 of the Water Act may be applied?***

**Response:**

On 24 February 2023, the Ministerial Council tasked officials to develop a package to deliver the Basin Plan in full and report to ministers at the next meeting. In parallel, the department is undertaking public consultation. These processes will inform future government on remaining Basin Plan implementation, including management of a shortfall from supply measures.

The risk assignment framework claim for payment form and guidelines are available on the department's website at [dcceew.gov.au/water/policy/mdb/claim-for-payment](https://dcceew.gov.au/water/policy/mdb/claim-for-payment). This information may help potential claimants to understand if they are eligible for a payment and details what claimants need to provide to the department to support their claim. The department is developing its approach to consider any future claims that may arise.

***4(c) How did the shared 10 GL/y target in the NSW Murray and the 4.9 GL/y target in the ACT emerge? What could be done differently to avoid the re-emergence of water recovery gaps?***

**Response:**

Water is recovered both at a catchment level (referred to as the local recovery target) and at the state or territory level (referred to as the shared recovery target). The local recovery target is the volume of water required to meet the local environmental needs within a catchment. The shared recovery target is the volume of water required, in addition to the local recovery in each catchment, to meet environmental needs across the Basin. Basin state and territory governments determine what catchments this water will be recovered from.

Prior to the adoption of revised NSW LTDLE factors by the MDBA in 2019, no further water recovery was required in the NSW Murray SDL resource unit. In 2018 a suite of revised LTDLE factors was developed by NSW, based on improved data and modelling assumptions. Application of these new factors in 2019 decreased the estimated NSW Murray recovery volume by 39.7 GL/y, leading to the current shortfall. Under current LTDLE assumptions there is still 10.0 GL/y of the NSW Murray shared recovery target remaining to recover.

The MDBA will again review the suite of 2018 LTDLE factors when the NSW Water Resource Plans are fully accredited.

The ACT's 4.9 GL/y target is a shared recovery target. In 2012-13 the department undertook a strategic purchase of NSW Murrumbidgee General Security entitlement which was intended to be the ACT's contribution to the Southern Basin shared recovery target. This entitlement was registered to the Commonwealth in October 2014. Based on AGS legal advice the MDBA





subsequently determined that the water entitlement did not meet the criteria for the ACT's water recovery obligations under s.10.11 of the Basin Plan.

The premise of the second question (re-emergence of gaps) is technically not correct. These remaining water recoveries are required under the Basin Plan to achieve the SDLs. The gaps have not re-emerged, they were never closed through previous water recovery. However, more confidence and certainty pertaining to states settling LTDLE factors (particularly in NSW with outstanding WRPs) would assist in confirming required water recovery targets to achieve the SDLs.

**4(d) On 24 February, the Conversation published [an article](#) by Professor Sarah Wheeler containing data sourced from the department on the relative costs of different water recovery methods. Can the Department please provide this data to us?**

**Response:**

The department provided Professor Wheeler with a dataset in December 2022 which has been attached to this response.

**4(e) What changes has DCCEEW made to its water recovery programs over time to ensure projects can be delivered in a timely and cost effective manner? What changes has it made in response to feedback and previous program evaluations?**

**Response:**

With specific regard to efficiency measures and the 450GL target, the department has reset the program settings three times. The Water Infrastructure Program was initially established to use delivery and project partners to bring forward on-farm, off-farm, urban and industrial projects under procurement arrangements. Following Ministerial Council adoption of additional socio-economic criteria in 2018, the Water Infrastructure Program was relaunched as the Water Efficiency Program. This revision embedded consideration of these socio-economic criteria within the program. A shift towards off-farm priorities was undertaken in 2020 with the launch of the Off-farm Efficiency Program which formalised state-led arrangements under the FFAs. The aim of this was to streamline funding to states (and on to proponents), enabling fewer milestones with higher level requirements agreed with basin states.

The second Water for the Environment Special Account (WESA) review is available on the department's website at [Review of the Water for the Environment Special Account - DCCEEW](#).

Information for OFEP is available at [Off-farm Efficiency Program](#).

The department also published details about projects, investment decisions and independent technical reviews.



The current open tender to recover water to Bridge the Gap has been designed to incorporate learnings from past water recovery and from past reviews by the Auditor-General. It has also been designed to ensure compliance with Commonwealth Procurement Rules. Refer to 4f below for further detail.

In considering programmatic responses, program designs consider the requirements of the PGPA Act, Commonwealth Procurement Rules and the Water Act and Basin Plan. These also contain specific eligibility requirements, obligations and in some cases, such as WESA, the spending rules that guide program implementation.

**4(f) What progress has DCCEEW made in implementing the four recommendations of the ANAO performance audit report on [Procurement of Strategic Water Entitlements](#)?**

**Response:**

The ANAO's performance audit of [Procurement of Strategic Water Entitlements](#) was undertaken to provide assurance that strategic water procurements were adequately planned and executed, achieving value for money for the taxpayer. The department has designed the 2023 Strategic Water Purchasing Program to bridge the gap with specific consideration to the ANAO findings. The ANAO's recommendations were largely aimed at:

- Improving procurement guidance
- Developing assurance mechanisms for procurement processes
- Updating conflict of interest management arrangements
- Developing a clear evaluation framework.

The ANAO performance audit related to a limited tender process. The current strategic purchasing program is an open tender, nonetheless, the ANAO recommendations were applied to the design of the current procurement. Specifically, the department has:

- published the Strategic Water Purchasing Framework
- developed a value for money framework (financial and non-financial factors) with external consultant review
- engaged external probity advisors to support program design and implementation
- developed standard operating procedures and work instructions
- refreshed the conveyance process and provided training for staff
- delivered negotiation training for SES involved in water
- engaged a commercial adviser
- established a program advisory group with participation from the Department of Finance and observers from PM&C and Treasury.
- revisited the Conflict of Interest AAI with establishment of the department and reviewed its Conflict of interest management policy for water acquisition and divestment and Conflict of Interest declarations and established a register for all purchase staff
- developed a probity framework and delivered probity training to all divisional staff



- Developed a Monitoring, Evaluation, Reporting and Improvement (MERI) framework for water purchasing with an external expert consultant.

The department has also refreshed financial and procurement delegations and frameworks as a result of the establishment of the department and has refreshed the conveyance process. Full training on conveyance, tender evaluations and probity have been key features of capacity building for staff involved in the program.

### **Information request 5: Environmental water recovery – Efficiency measures**

***5(a) What is the status of the Off Farm Efficiency Program, and how much progress towards the 450 GL/y efficiency measures target has been made since 2018? What lessons have been learned from implementation to date?***

**Response:**

The Off-farm Efficiency Program was announced in March 2021 and has contracted five projects contributing 23.44 GL/y long term average annual yield (LTAAY) towards the 450 GL/y target. The NSW-led feasibility project is also funded by the Off-farm Efficiency Program and currently has three projects finalising feasibility studies for potential application to the program. Consideration of additional projects for this program is ongoing.

The Second Review of the Water for the Environment Special Account found that factors limiting the Off-farm Efficiency Program's potential was the support and enthusiasm of Basin state governments at the time, commercial attractiveness to potential participants and the 30 June 2024 program deadline.

***5(b) How have the socioeconomic criteria adopted by the Ministerial Council in 2018 been incorporated into the design of the Off-Farm Efficiency Program? How has it affected the eligibility of particular types of projects? And how do the criteria link to monitoring and evaluation of the program?***

**Response:**

All Off-farm Efficiency Program projects must be assessed (unless otherwise exempted) against the socio-economic criteria agreed by the Ministerial Council on 14 December 2018. Each Basin state is responsible for considering the socio-economic outcomes of their proposed projects.

Prior to submitting an application, Basin state governments apply the socio-economic criteria for each respective project and provide a report demonstrating how the project meets the requirements of the socio-economic test. Each project proposal is subject to a period of public comment through the relevant state government's public website, such as Engage Victoria and Have Your Say. The results of the public consultation are published on the relevant state government's website and submitted with the Off-farm Efficiency Program project application.



Basin state governments undertake assessments of the eligibility of particular types of projects against the Ministerial Council's socio-economic test prior to submitting an application, and only submit proposals to the government that have satisfied the criteria.

The MERI framework for the Off-farm Efficiency Program provides a model for assessing the program against planned immediate, intermediate and longer-term outcomes. MERI reporting will be undertaken at the time of project's final report when construction is completed and five and then ten years after 2024 when the outcomes of the projects are becoming more apparent. The MERI outlines three pathways for evaluating the socio-economic neutrality of the program:

- Participant monitoring—the program must be delivering enhanced water infrastructure and practices or improved production opportunities for those participating in the program in all streams.
- Regional monitoring—analysis of program impacts on regional economies in the Murray–Darling Basin, which will include backward and forward-looking modelling scenarios that estimate potential changes to key regions of the Basin and comparisons between estimated impacts and realised outcomes.
- Water market monitoring—examine trends and drivers in irrigation activity and water markets in the Murray–Darling Basin and model the effect of the program on water markets and irrigation industries.

***5(c) When is the Government response to the 2nd review of the Water for the Environment Special Account, tabled 2 August 2022, expected to be tabled in Parliament? Why has it not yet been tabled?***

**Response:**

The second review of the WESA highlighted fundamental issues with delivering the 450GL of environmental water through the existing frameworks. It is a priority for the government to deliver the Basin Plan in full, including the 450GL of environmental water.

The government is genuinely open to all options to achieve this target, and we are working with Basin states and communities on ways to do this. In May the department launched a five-week community consultation process for First Nations, industry and Basin communities to submit innovative options on how the plan can be delivered, and the 450GL achieved. The outcomes of the submission process will help inform next steps on delivery of the 450GL.

***5(d) Is the department considering whether excess water recovery could contribute to the efficiency measures target? Are there restrictions or limitations on doing so?***

**Response:**

On 24 February 2023, the Ministerial Council tasked officials to develop a package to deliver the Basin Plan in full and report to Ministers at the next meeting.



On 29 May 2023, the government launched a five-week consultation process inviting communities to share their views about how best to deliver the Basin Plan.

Both processes, will inform future government decisions on over-recoveries. It is likely to require legislative change.

### **Information request 6: SDLAM Constraints Easing**

***6(a) SDL adjustment mechanism project delivery has been limited. A shortfall of 190-315 GL/y is expected against the supply measure offset, only one constraints project is expected to be completed by 2024, and efficiency projects under contract are expected to provide 26 GL/y of the 450 GL/y target.***

- ***What are the reasons for this? What is DCCEEW doing, or planning to do, to address this?***

#### **Response:**

The second review of the WESA found that for both the efficiency measures and constraints measures, a number of factors are contributing to the shortfall in achieving water recovery targets for both programs.

For efficiency measures, factors limiting their potential are discussed in response 5(a).

For constraints measures, the second review of the WESA also found that total funds available for all SDLAM projects was unlikely to cover the total cost of fully delivering the projects.

Delays reflect the complex nature of some of these projects, detailed consultations that have not been able to take place, and supply and labour chain factors. Unprecedented droughts, severe floods, and the global pandemic have compounded delays in delivering the Basin Plan projects, including projects under the SDLAM supply and constraints measures program. The Basin states have indicated that stakeholder consultation, including that with Traditional Owners, has particularly been challenging due to COVID-19 and the flooding in late 2022.

The neutrality test that currently applies to efficiency projects is stringent and has contributed to the limited recovery of 26 GL out of the 450 GL target.

Departmental officials are consulting with Basin states and the public to develop a package of reforms that both the Ministerial Council and the government are to consider in the second half of the year.

***6(b) What is the status of the [accelerated funding](#) for the NSW supply and constraints projects? What features of this agreement are different to other bilateral agreements (if***



***any)? Has this agreement encouraged improved implementation by the NSW Government and, if so, how?***

**Response:**

In the Murray–Darling Communities Investment Package, the government announced that it would work with Basin states to accelerate delivery of supply and constraints measures.

In 2021 the government entered into a funding agreement with NSW to provide \$331 million in funding to ‘accelerate’ delivery of the following five NSW supply and constraints projects:

- SDL offsets in the Lower Murray: Locks 8 and 9 (supply)
- Modernising Supply Systems for Effluent Creeks project (Yanco Creek Modernisation Project) (supply)
- Murrumbidgee and Murray National Park project (supply)
- Koondrook-Perricoota Flow Enabling Works (part of the Yarrawonga to Wakool constraints measure)
- Mid-Murray Anabranes Constraints Demonstration Reach (part of the Yarrawonga to Wakool constraints measure).

The government is funding supply and constraints measures through a two-stage process consisting of an initial phase (stage 1 pre-construction) and an implementation phase (stage 2 construction).

NSW’s accelerated project delivery aims to undertake current stage 1 and stage 2 processes concurrently, allowing a seamless transition between the stages to facilitate delivery of elements that would have been unachievable by 30 June 2024.

***6(c) Have any changes in the Basin operating environment since 2018 altered the benefits and costs of constraints easing projects? How has this been assessed?***

**Response:**

As part of funding provided to states, NSW, Victoria and South Australia are currently undertaking initial feasibility studies, stakeholder engagement and technical studies. The results of these studies will inform the development of detailed feasibility studies which are expected to include a cost benefit analysis for stage 2 of the projects.

These studies will provide the best available information on the benefits and costs of constraints easing projects and will incorporate any changes since 2018.

***6(d) What is the status of the Constraints Measures Working Group? Have any meetings been held since 2018? Is DCCEEW able to provide us with summaries or minutes of those meetings?***

**Response:**





The Constraints Measures Working Group is a sub-committee of the Sustainable Diversion Limit Adjustment Mechanism Implementation Committee (SDLAMIC). The Secretariat to the Constraints Measures Working Group is the MDBA.

The Constraints Measures Working Group met 24 times in the period April 2018 to November 2022.

### **Information request 7: Northern Basin Toolkit**

**7(a) The [Joint Government response](#) (p. 25) to the 2018 PC inquiry noted the establishment of a Northern Basin Project Group. What is the status of this group? What meetings have been held, and what have the outcomes of those meetings been? How does the group relate to the Northern Basin Environmental Watering Group?**

#### **Response:**

The Northern Basin Project Committee (the NBPC) was formerly called the Northern Basin Project Group. The NBPC meets up to four times each year, or as required to provide support and advice to the Basin Officials Committee (BOC) and Ministerial Committee on the implementation of the six Northern Basin Toolkit Measures under the Basin Plan.

Membership of the NBPC is at the discretion of each jurisdiction and comprised of representatives of the Basin governments of NSW and Queensland, the Australian Government Department of Climate Change, Energy, the Environment and Water (chair), the MDBA, and the Commonwealth Environmental Water Holder (CEWH).

There have been 20 NBPC meetings since 2017. The discussions and outcomes of these meetings underpin the twice-yearly progress report to BOC, as required under Schedule 3 (paragraph 9) of the Intergovernmental Agreement on Implementing Water Reform in the Murray Darling Basin (IGA IWRMDB, revised August 2019). A progress summary is regularly published on the internet by the MDBA. The latest published update can be found at [Northern Basin Toolkit progress August 2022](#). The next update is expected to be published in July/August 2023.

The Northern Basin Environmental Watering Group (NBEWG) was established to co-ordinate the planning and delivery of environmental watering activities in the northern Basin. The NBEWG is chaired by the CEWH, and membership includes NSW, Queensland, MDBA, the department and northern Basin First Nations representatives. The NBEWG reports to the Environmental Watering Committee (the EWC, which reports to BOC). The NBEWG provides a forum to discuss opportunities to enhance connectivity using cross-border / multi-catchment co-ordination. This includes Toolkit measures to protect and coordinate environmental flows, and event-based mechanisms. The NBPC consults with NBEWG and EWC members when developing its regular Toolkit progress updates to BOC.





***7(b) What accountability mechanisms are in place for the expenditure of \$180 million on the toolkit? What process is in place to provide ongoing assurance that the toolkit will deliver the intended environmental outcomes over time?***

**Response:**

Up to \$180 million to 2024 has been made available to NSW and Queensland for the implementation of Northern Basin Toolkit environmental works and measures projects. Ten Toolkit projects have been approved, either for immediate implementation or progression to business case development phase. The projects were assessed by an independent expert panel established by the department to determine which would deliver the best ecological benefits across the northern Basin. The panel's final report is published at [Northern Basin Toolkit Ecological Prioritisation of Proposed Project](#).

Under the Schedule 3 to the IGA IWRMDB, Basin governments have committed to deliver the Toolkit measures. Specific activities have been outlined in Appendix A of the Schedule and the NBPC provides regular updates to BOC on progress. See answer to question 7a for more information. The MDBA also assesses progress as part of its regular reporting on Basin Plan implementation.

Where appropriate, Toolkit measure management activities are expected to be embedded in Water Resource Plans. For example, arrangements to protect environmental flows. This will ensure that permanent arrangements are in place to deliver enduring outcomes.

For environmental works and measures projects, government funding is provided to states through funding schedules under the FFA – Environment. The funding schedules provide clear milestones to ensure outcomes are delivered as intended and within reasonable timeframes. Each funding schedule is published on the Federal Financial Relations website at [Federal Financial Relations](#). Upon completion of the projects, states are expected to provide final reports on project outcomes to the Commonwealth Minister. To ensure project outcomes are enduring, Schedule 3(paragraph 9) of the IGA IWRMDB outlines that any ongoing project costs (such as monitoring and evaluation and operation and maintenance costs) will be the responsibility of the relevant state.

**Information request 8: Governance**

***8(a) Please provide copies of all agendas and minutes for Basin Officials Committee meetings between 1 January 2019 and 15 May 2023.***

**Response:**

A response will be provided separately.



***8(b) Please provide a status update on the implementation of the Joint Governments' Response to the Claydon review of MDB Joint-governance Arrangements.***

**Response:**

A response will be provided separately.

***8(c) Excluding the Claydon Review, what other audits, performance reviews or evaluations have been conducted on the Basin Officials Committee? Please provide copies of any audit, performance review or evaluation reports on the Basin Officials Committee conducted from 1 January 2019 to 15 May 2023.***

**Response:**

A response will be provided separately.

***8(d) What has the Basin Officials Committee done to engage with Basin communities and other stakeholders from January 2019 to May 2023?***

**Response:**

A response will be provided separately.

***8(e) Please provide a copy of the Boston Consulting Group Report on establishing a National Water Commission.***

**Response:**

The Boston Consulting Group Report is still being considered by the government and not able to be shared at this time.

***8(f) What is the expected scope and timing of DCCEE's upcoming review of the Inspector General for Water Compliance? Will the review's outcomes be made public? Please provide a copy of the review's terms of reference or scoping document.***

**Response:**

The government has committed to ensuring the Inspector-General of Water Compliance (IGWC) has appropriate powers to restore confidence in the Murray–Darling Basin following his first year of operation. This includes being able to refer relevant matters to the new national anti-corruption commission.

To ensure independence, the review will be led by the Enabling Services Group within the department (separate to and at arms-length from the IGWC and Water Policy Division). The initial step is to engage an external reviewer, who will consult with relevant stakeholders to establish agreed terms of reference.



The timing of the review is not yet finalised. The review is separate to the statutory review of the Water Act.

### **Information request 9: First Nations water interests**

#### ***9(a) How does DCCEEW give effect to the Priority Reforms under the National Agreement on Closing the Gap in undertaking its role in implementing the Basin Plan?***

#### **Response:**

The government is committed to improving participation by First Nations peoples in decision making and water management. In line with this commitment the department recently released its Statement of Commitment to First Nations which has key components:

- Establish a dedicated central First Nations branch to integrate Aboriginal and Torres Strait Islander peoples' advice across the portfolio, coordinate and deepen engagement with, and deliver on, the Closing the Gap Targets and Priority Reforms.
- Develop our Reconciliation Action Plan to meaningfully advance reconciliation, including through recruitment, procurement, cultural capability, leadership, partnerships, and cultural safety and competence.
- Collaborate and partner with Aboriginal and Torres Strait Islander peoples, including taking time to listen and understanding that every community will have unique experiences, preferences and perspectives.
- Prioritise reforms in Aboriginal and Torres Strait Islander peoples' employment practices and cultural competency for staff, with a focus on engagement and open dialogue on policy, programs and service delivery.
- Create a culturally safe and supportive workplace by celebrating our diversity, recognising and working to reduce cultural load, and celebrating the history and culture of Aboriginal and Torres Strait Islander peoples.
- Advance key policy priorities that directly relate to Aboriginal and Torres Strait Islander peoples, including water, clean energy and cultural heritage protection.
- In the lead up to the Voice Referendum, we will support staff understanding of the Voice by providing factual information, uphold our obligations to work with impartiality, and ensure a culturally safe and inclusive workplace for all employees.
- Continually seek to exceed our portfolio's Indigenous Procurement Target by recognising that many Aboriginal and Torres Strait Islander peoples have a wealth of knowledge on topics that may relate to the department's work and stimulating Indigenous entrepreneurship and business development in line with the Indigenous Procurement Policy.

#### ***The Committee for Aboriginal and Torres Strait Islander Water Interests (CAWI)***

In its 2020 inquiry of the National Water Initiative (NWI) the Productivity Commission (PC) found the NWI should be renewed and modernised to better account for changes in knowledge and



technology and to address emerging challenges such as climate change and population growth. The PC's recommendations included that a renewed NWI should focus on 'increasing Indigenous Australians' involvement and influence in water resource management'.

The CAWI was established at the end of 2020 to identify and provide advice on Aboriginal and Torres Strait Islander interests and identify priority national water reform directions to the National Water Reform Committee (NWRC). The NWRC is made up of senior government officials from the government and all state and territory water agencies and advises on, oversees, and coordinates the implementation of water policy reforms at the national level.

The CAWI includes independent water experts who identify as Aboriginal and/or Torres Strait Islander and are situated across Australia. Each committee member brings a wealth of experience and extensive networks who have been appointed based on the following criteria:

- have an understanding of the importance of water in a cultural context
- are competent in relation to water policy, planning and management, and water markets
- are effective in engaging with Aboriginal and Torres Strait Islander communities.

The work of the CAWI has a national focus and is additional to each jurisdiction's work at the state and local level on furthering water reform with Aboriginal and Torres Strait Islander peoples. The CAWI is integral in influencing national water reform to invest in, formulate policy for and progress Aboriginal Water Interests within their respective jurisdictions.

The CAWI is developing principles and themes for inclusion in the review of the NWI. These principles and themes will provide strong strategic direction towards ensuring First Nations peoples interests in the access, use and management of water is prioritised in Australia. Key work produced by the CAWI for the NWRC include:

- A draft Indigenous-themed preamble to be included in a renewed NWI.
- A list of Indigenous-based principles for authors to consider across all themes of the NWI.

In December 2022, the government committed additional funding of \$700,000 to support the work of the CAWI until 2026. The Terms of Reference of the CAWI has been updated to include its expanded role in advising the government on Aboriginal and Torres Strait Islander Interests.

CAWI will hold regular meetings with senior government officials from state and territory water agencies to offer feedback on incorporating cultural values and commitments to Aboriginal and Torres Strait Islander peoples in water policies.

The government relies on the CAWI, to provide a valuable First Nations voice on water interests and reform in the Murray–Darling Basin.



**9(b) What is the status of the Basin Commitment Package: First Nations Initiative/Aboriginal Water Entitlements Program?**

- **What have been the main impediments to program implementation?**
- **How much consultation with First Nations in the Basin has been undertaken?**
- **What has been learned from that engagement? What are the preferences of First Nations people in terms of program implementation?**
- **What are the next steps and implementation timeline?**

**Response:**

*Aboriginal Water Entitlements Program (AWEP)*

In 2018, the government committed \$40 million to administer the AWEP to support Murray–Darling Basin Indigenous communities’ investment in cultural and economic water entitlements and associated planning activities.

The department has published the ‘What we heard’ draft consultation report to help inform the development of a draft water purchasing strategy and principles for water entitlements in the Murray–Darling Basin. This report also outlines a number of program implementation issues.

The department will be hosting a series of gatherings with Basin First Nations peoples in late July to mid-August 2023. These gatherings are to confirm what we’ve heard, determine purchasing principles and an interim governance arrangement, while an enduring model is determined with First Nation peoples.

**9(c) How does DCCEEW support First Nations organisations to contribute to decision making in the Basin?**

**Response:**

Contributing to decision making in the Basin by First Nations organisations is coordinated through a number of avenues including:

- targeted engagement activities with First Nations communities to understand the range of water issues and opportunities across the Basin by the First Nations engagement section of the Water Policy Division.
- supporting the CAWI established to provide, a valuable First Nations voice on water interests and reform in the Murray–Darling Basin and on a national level to the government.
- Establishing the First Nations Water Branch who work with First Nations peoples to deliver programs including the Aboriginal Water Entitlements Program.

**9(d) What’s the timeline for finalising enduring water holdings arrangements for First Nations peoples to own, access and manage water? How will the \$9.2 million ([announced 27 April 2023](#)) be expended?**



**Response:**

On 27 April 2023, the Hon Tanya Plibersek MP and the Hon Linda Burney MP announced a national water reform budget measure to invest \$9.2 million over four years ‘to consult on and design an enduring arrangement for First Nations peoples to own, access and manage water in Australia’.

A recommended preferred model for an independent, permanent national First Nations water holding arrangement is expected to be considered in 2024. A portion of the \$9.2 million will be expended in reaching this proposed milestone through undertaking the following activities:

- Establishing a departmental First Nations Water branch
- Delivering the \$40 million AWEP to support Murray–Darling Basin First Nations communities’ investment in cultural and economic water entitlements and associated planning activities
- Developing a preferred perpetual national water holding arrangement and governance model for all First Nations peoples to own, access and manage a share of water in Australia for their cultural, social, economic, spiritual and environmental benefit which includes:
  - extending the tenure of CAWI to 2026
  - seeking comprehensive financial and legal advice to ensure the robustness, resilience and longevity of the preferred First Nations water holding mechanism
  - engaging relevant technical expertise
- Designing the First Nations water holder model in consultation with:
  - First Nations peoples and relevant peak bodies
  - all states and territories governments and undertaking representations to relevant inter-governmental committees
  - relevant national and state industry representatives
  - non-government scientific groups
  - relevant Australian Government agencies.

The remainder of the \$9.2 million budget will then be expended within the budgeted four-year time frame in establishing, implementing and maintaining the First Nations water holding model if approved by cabinet and relevant legislative and financial arrangements pass through parliament.

***9(e) How should the Water Act 2007 be amended to better incorporate First Nations considerations? What would such amendments seek to achieve?***

**Response:**

The government has been listening to First Nations communities on many issues pertinent to them and their communities. This includes providing feedback on the Water Act 2007. Further consideration to potential Water Act amendments will be given during the future review of the Act.

The CAWI, who are appointed based on their water expertise coupled with an understanding of the importance of water in a cultural context are well placed to provide advice on potential





amendments to incorporate First Nations considerations. Their input will ensure First Nations peoples interests in the access, use and management of water is prioritised in Australia.

**9(f) *Building on the success of First Nations co-management activities such as those demonstrated by the Gayini/Nimmie Caira project, what other wholistic natural resource management projects / land or water acquisitions in the Basin are being considered by DCCEEW / Parks Australia?***

**Response:**

Gayini (Nimmie-Caira) is one of Australia's most successful land and water partnerships, delivering multiple outcomes for First Nations people alongside achieving Murray–Darling Basin Plan outcomes. The department is hosting a series of roundtables through 2023-2024 to explore land and water opportunities across the Murray–Darling Basin that have the potential to achieve outcomes like Gayini.

#### **Information request 10: Science and Knowledge**

**10(a) *When is Professor O’Kane due to provide the report on her science review? If finalised, please provide a copy. If not finalised, we would welcome receiving a draft copy for reference (not for publication).***

**Response:**

We understand Professor O’Kane has since discussed this request with the Productivity Commission and will provide a draft copy (NFP) as well as a further briefing .

#### **Information request 11: Helping communities adjust**

**11(a) *Since 2018, has the Australian Government changed how it assists Basin communities to adjust to reduced water availability? Are new approaches needed, and if so, what should they look like?***

**Response:**

In 2018, the government announced the Murray–Darling Basin Economic Development Program to assist communities that were negatively impacted by past water recovery.

- The program was first announced by the former Minister for Agriculture and Water Resources on 7 May 2018, as part of the Basin Plan Commitments Package.
- The program supports eligible communities most impacted by past water recovery activities under the Basin Plan to undertake economic development projects.





- The program provides \$72.7 million in funding for 132 projects across 3 rounds.
- Map at Attachment A shows eligible communities and local government areas for the three rounds.
- Eligible communities for the program have been identified by the department through a range of information, including research in the 2016 Northern Basin Review, the 2017 Basin Plan Evaluation by the MDBA and the Sefton report. These identified varying degrees of social and economic impacts on Basin communities of water recovery under the Basin Plan.

The program supports eligible communities by:

- increasing employment opportunities
- increasing capacity to diversify and strengthen their local economies
- enhancing resilience of communities to manage current and future economic challenges.

The guidelines for each round were amended and improved in accordance with emerging issues and updated information received as the program was rolled out.

Grant recipients were not-for-profit community organisations and councils to provide economic development and job opportunities specific to their local circumstances.

The 132 projects funded can be categorised as:

- 67 projects to attract tourism to the community or increase the capacity to hold events
- 53 projects that will strengthen and build capacity for communities
- 12 projects that will improve health facilities or services or improve access to health-care.

A total of 94 of 132 projects have been successfully completed as off 30 June 2023.

Funding is delivered in rounds:

- Round 1 provides up to \$24.4 million to fund 42 projects across 14 Communities.
- Round 2 provides up to \$14.4 million to fund 32 projects across 29 Communities.
- Round 3 provides up to \$34 million to fund 58 projects for 34 Local Government Areas.

The department's webpage ([Murray–Darling Basin Economic Development Program](#)) provides high level information on the program and all three rounds, as well as the guidelines and maps of eligible communities and projects approved for funding.

## **Information request 12: Community engagement**

***12(a) What actions have been taken since 2018 by the department to improve engagement with Basin communities and First Nations people and incorporate feedback into decision-making?***

**Response:**



The government is committed to generational water reforms and wants to work collaboratively to deliver the Basin Plan, in full.

Recently, the department launched a five-week consultation process to give the opportunity for stakeholders and the broader community to contribute innovative ideas and options on how the Basin Plan can be delivered. Information gathered in this consultation will inform advice to ministers, contribute to policy and program development and build on options stakeholders have already provided.

A Have your say site was launched and will be open until Monday 3 July 2023, providing a pathway for ideas to be submitted. Targeted workshops are also being held with peak bodies from key stakeholder groups of First Nations, environmentalists, academics, irrigators/farmers, and local government to discuss their ideas towards fully implementing the Basin Plan. A public webinar was held on 20 June to provide an interactive opportunity for community members to ask questions prior to providing a submission.

At the conclusion of the consultation, the department will publish public submissions on its website, subject to agreed privacy and data requirements. The department will also produce a 'what we heard' report to show what we heard and what we did with that information.

These consultations build on conversations the department has already had in recent years, and will continue to have, across Australia, including through:

- hosting more than 10 engagements on water recovery, water reforms, and the values that underpin the Basin
- delivery of targeted information sessions in six Basin catchments that have remaining bridging the target gaps
- progression of discussions with the cotton industry on an innovative water recovery pilot
- Minister for Environment and Water, Tanya Plibersek, has visited the Murray – Darling Basin four times and has met with more than 100 stakeholders from agriculture, environment, local government, First Nations and academia.
- The department uses established programs and networks to engage with Murray–Darling Basin communities including through:
  - MDBA listening tours to ensure senior leaders across the department and the MDBA can hear directly from people with lived experience. The visits in the past year are: Lachlan – 21-23 June 2022; Lower Darling – 25-28 July 2022; South Australia – 1-3 November 2022; Southern Queensland – 21-23 March 2023; and Barwon Darling – 2-5 May 2023.
- The department takes part in 3 Peak Stakeholder Briefings hosted by the MDBA each year where stakeholder groups are invited to raise their issues and the department provides updates on policy and program delivery.
- Other engagements are undertaken on an ad hoc basis including attendance at Murray Regional Strategy Group workshops; attendance at key Murray–Darling Basin stakeholder events, for example the MDBA's River Reflections conference and the Murray Darling Association's annual conference



- The department also attends Ministerial Council and the various BOC meetings.

In addition to these engagement activities the department has invested in the MDBA's Regional Engagement Officer (REO) program to expand the engagement footprint of government water management. REOs are employed in their local communities across the Murray–Darling Basin to provide:

- a local and trusted link between communities
- a two-way flow of information using credible local knowledge
- continued engagement with their local stakeholders, giving communities a consistent point of contact to government water management rather than just fly-in-fly-out engagement.

There are currently six REO positions covering the Namoi-Gwydir, Barwon-Darling, Mid-Murray / Goulburn Murray, Lower Darling, Macquarie-Castlereagh and Lower Murray.

To improve engagement with First Nations in the Basin the department has established a new First Nations Water branch, reflecting the government's commitment to increase First Nations ownership and involvement in decision-making. The CAWI, who are appointed based on their water expertise coupled with an understanding of the importance of water was established by the department to ensure direct access to advice on First Nations peoples interests in the access, use and management of water is prioritised in Australia.

Delivery of the Basin plan is a process that involves everyone, and the department will continue to consult as we work towards full implementation.

***12(b) How could community engagement be further improved and consistently practiced in Basin Plan implementation?***

**Response:**

Implementation of the Basin Plan is a contested issue. This has been evident in the recent consultation in the Basin on the Strategic Water Purchase Framework to recover the 'bridging the gap' target. These views are likely to be heightened as work continues to recover water towards the 450 GL target.

Our most recent research and media content analysis indicates widespread misunderstanding of water issues in the Basin is a likely contributor to community and stakeholder concerns. To address this the department intends to use communications and engagement tools to:

- provide factual, scientific based information on climate impacts and outline unsustainable situations
- highlight historic outcomes achieved over the multi-billion investment made since 2012
- address low water literacy in Basin communities including updates on emerging issues and reforms
- communicate the government's planned return to water recovery and dispel misinformation
- explain environmental water benefits to the health of our rivers and for broader communities
- establish two-way community participation through promotion of government channels/consults



- assist in the prevention of distortion of Australia’s water markets via clear communications
- use dedicated Indigenous communication channels to inform First Nation communities.



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