Water Amendment (Restoring Our Rivers) Bill 2023 [Provisions] Submission 11





Australian Government

Office of the Chief Executive

Ref: EC23-000652

Committee Secretary Senate Standing Committees on Environment and Communications PO Box 6100 Parliament House CANBERRA ACT 2600

Dear Committee Secretary

The Murray–Darling Basin Authority (MDBA) welcomes the opportunity to provide a submission to the Senate inquiry into the Water Amendment (Restoring Our Rivers) Bill 2023, which proposes a way forward to complete the implementation of vital elements of the Basin Plan.

The Murray–Darling Basin Plan is a significant and important water reform that is providing a world-leading model for basin-scale water resource management. The coordinated, wholeof-Basin approach to manage water resources in the national interest and to meet Australia's international obligations is now widely accepted as the path to re-balancing the water needs of the Murray–Darling river system, communities, and industries. To deliver on its promise the plan must be implemented in full.

There have been significant achievements since the Basin Plan was signed into law by the Australian Parliament 11 years ago. Progress on implementation depends on the commitment of all Basin governments in the Murray–Darling Basin, commitment to a journey that is providing the essential foundation to prepare the river system and communities for the future.

A hallmark of the Basin Plan is the built-in outcomes, targets, and deadlines for key elements of the plan, which promote transparency and accountability at every turn of the plan's delivery. The MDBA regularly tracks and publicly reports on progress through twice-yearly Basin Plan Report Cards, the Basin Plan Annual Report, assurance reports on the status of Sustainable Diversion Limit Adjustment Mechanism projects and Basin Plan evaluations, to name a few.

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The Minister for Environment and Water the Hon Tanya Plibersek MP wrote to MDBA Chair Sir Angus Houston in July 2023 requesting advice on progress towards implementing the Basin Plan and the prospects of meeting water recovery targets by 30 June 2024. The Authority provided this advice to the Minister on 25 July and published it on the MDBA website: <u>2023 Authority advice on Basin Plan implementation | Murray–Darling Basin</u> <u>Authority (mdba.gov.au)</u>.

The two key reports that underpin the advice are also publicly available:

- the <u>2023 mid-year Basin Plan Report Card</u>, the tenth in a series of report cards that provide short, timely updates on the progress of implementation, and
- the <u>2023 Sustainable Diversion Limit Adjustment Mechanism (SDLAM) Assurance</u> <u>Report</u>, which is the fifth annual update published by the MDBA on the progress of SDLAM projects.

The Authority's view is that there is no possibility that Basin Plan implementation will be finalised by the Basin Plan's deadline of 30 June 2024 under current legislative settings.

To date the Basin Plan has delivered significant outcomes, however full implementation is needed if the plan is to deliver its full intended benefits. The Basin Plan remains central to giving our rivers the best chance of a healthy future, so it is extremely important to address the implementation challenges that are inhibiting the plan's delivery.

While the numbers are important to help us track progress toward implementation, the Basin Plan is about much more. It is about delivering outcomes that provide healthy rivers, floodplains and ecosystems while taking into account cultural uses, critical human water needs, growing of food and fibre, and wellbeing through tourism and recreation.

There are many reasons why implementation has been slower and even more challenging than originally anticipated, and why the Commonwealth and state governments have found it difficult to meet timeframes and milestones. This is an extremely complex reform agenda, requiring deep and enduring change, and to meet its objectives it must be allowed flexibility to adjust to new information and conditions.

The MDBA therefore encourages the committee to consider the pathway forward for a whole-of-Basin solution presented by the Water Amendment (Restoring Our Rivers) Bill 2023, which, critically, has the agreement of all Basin jurisdictions but one.

In summary, the Water Amendment (Restoring Our Rivers) Bill 2023 will:

 enable implementation of the supply and constraints package of measures under the Sustainable Diversion Limit Adjustment Mechanism (SDLAM), which would otherwise fall short of expectations and result in less water available for consumptive/irrigation use.

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- provide the greatest chance to reduce the government's need to purchase water to meet recovery targets.
- allow time for Constraints projects to bring to life the true value of water for the environment for the broader river environment.
- address the significant shortfall in the recovery of the additional 450 gigalitres of water for the environment, which is currently impacting river recovery.
- enable the Inspector General of Water Compliance to oversee SDL compliance in a full suite of accredited water resource plans.
- deliver a more efficient and meaningful review of the Water Act by rescheduling it from 2024 to 2027 to take advantage of the outcomes of the 2026 Basin Plan Review.
- bring to fruition the recommendations of the ACCC's Water market reform: final roadmap report to restore transparency, integrity and confidence in the water markets in the Basin.

The progress of the Basin Plan, and the gaps in progress to date that could be resolved by an extension of time and resources, are detailed in the MDBA's submission to the 2023 Productivity Commission's inquiry into implementation of the Basin Plan: <u>Submission to the Productivity Commission - (MDBA - Murray-Darling Basin Plan: Implementation Review 2023 - Public inquiry (pc.gov.au)</u>.

The introduction of the Basin Plan in 2012 was recognition that change was needed to past attempts to share the water of the Murray–Darling Basin, and that a whole-of-Basin approach was required to manage the Basin's water resources. The Water Amendment (Restoring Our Rivers) Bill 2023 comes at a critical moment to provide the flexibility needed for the final steps to support this historic compact between governments and to achieve the benefits for all Australians of sustainable communities and a healthy river system.

Without the Water Amendment (Restoring Our Rivers) Bill 2023, the cost to the health of Australia's most important river system and its communities would be immense. A number of potentially valuable and progressive projects would be shelved, water purchasing would take the place of more efficient water management, and water market integrity reform slowed.

The MDBA would be pleased to assist the Environment and Communications Legislation Committee with any further information that may be required.

Yours sincerely

Chief Executive

27 September 2023