

# Chapter 1

## Introduction

### Introduction

1.1 On 24 June 2015, the Senate resolved to establish the Select Committee on the Murray-Darling Basin Plan to inquire into and report, on or before 26 February 2016, on the positive and negative impacts of the Murray-Darling Basin Plan ("the Plan") and associated Commonwealth programs on regional communities, particularly:

- a. the implementation of the plan, including:
  - i. its progress,
  - ii. its costs, especially those related to further implementation,
  - iii. its direct and indirect effects on agricultural industries, local businesses and community wellbeing, and
  - iv. any evidence of environmental changes to date;
- b. the effectiveness and appropriateness of the plan's Constraints Management Strategy, including:
  - i. the progress of identifying constraints and options to mitigate the identified risks, and
  - ii. environmental water flows and river channel capacity;
- c. the management of the Coorong, Lower Lakes and Murray mouth, including the environmental impact of the locks, weirs and barrages of the Murray River; and
- d. any related matter.<sup>1</sup>

1.2 On 2 February 2016, the committee's terms of reference were amended to extend the reporting date to 17 March 2016.<sup>2</sup>

### Conduct of the inquiry

1.3 The committee received 399 submissions, as listed in Appendix 1. While many submissions had been received by the close of the submissions period, the committee continued to receive submissions beyond this date.

1.4 The committee held nine public hearings:

- Canberra—18 September 2015;
- St George, Qld—29 September 2015;
- Broken Hill, NSW—26 October 2015;

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1 *Journals of the Senate*, No. 101 – 24 June 2015, p. 2802.

2 *Journals of the Senate*, No. 135 – 2 February 2016, p. 3669.

- Griffith, NSW—27 October 2015;
- Echuca, Vic.—5 November 2015;
- Shepparton, Vic.—6 November 2015;
- Goolwa, SA—8 December 2015;
- Renmark, SA—9 December 2015; and
- Canberra—5 February 2016.

1.5 A list of witnesses for each public hearing is included in Appendix 2.

### **Report structure**

1.6 The report addresses the committee's terms of reference and is divided into the following four chapters:

- Chapter one (this chapter) states the administrative arrangements for the inquiry.
- Chapter two provides background and history of the Murray-Darling Basin Plan, and associated frameworks.
- Chapter three examines Basin state issues identified by submitters and during hearings, and makes a number of recommendations.
- Chapter four discusses the value of water, its ownership its use, quality and management.

### **Scope of the inquiry**

1.7 This inquiry follows several other parliamentary committee inquiries into the Murray-Darling Basin Plan and into the basin more broadly.<sup>3</sup>

1.8 A central aspect of this inquiry is the notion of the efficacy of the Plan across the economic, social and environment needs of the land and the communities that live and work within the basin. Examination of these three elements has often been referred to as the effects or impacts of the "triple bottom line" (TBL).

1.9 The TBL was a term that originated to describe the impact of the three Ps: profit, people and planet. Essentially aiming to measure not just the financial (profit) and social impact of an activity or policy, but also its environmental performance and impact over time.<sup>4</sup>

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3 Recent parliamentary committee inquiries include: Senate References Committee on Rural and Regional Affairs and Transport, March 2013, [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Rural\\_and\\_Regional\\_Affairs\\_and\\_Transport/Completed%20inquiries/2012-13/mdb/report/index](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Completed%20inquiries/2012-13/mdb/report/index); and House of Representatives Standing Committee on Regional Australia, June 2011 [http://www.aph.gov.au/Parliamentary\\_Business/Committees/House\\_of\\_Representatives\\_Committees?url=ra/murraydarling/report.htm](http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=ra/murraydarling/report.htm) (accessed 15 March 2016).

4 Elkington, J., "Cannibals with Forks: the Triple Bottom Line of 21st Century Business", Capstone, 1997.

1.10 In some ways the TBL has become a de facto balanced scorecard in examining these outcomes. The key premise behind the principle is that you cannot manage what you don't measure, since what you measure is what you are likely to pay attention to.

1.11 However, a key issue with the application of the balance scorecard principle is that it is often difficult to add together the three separate elements effectively and meaningfully. For example, it is difficult to measure in economic terms the environmental cost vs the social impact of water deprivation or water scarcity over all factors.

1.12 Whether each of these elements has been fully and equally realised in the implementation of the Plan has been a key consideration for the committee.

1.13 The committee is concerned that there has never been a cost-benefit analysis of the Plan to assess alternative policy options such as estuary restoration or the opportunity costs of policy choices.

1.14 Evidence in submissions and from witnesses spanned a broad range of views, from those who were dissatisfied with the Plan and called for it to be stopped, others who felt that the environment was benefiting at the expense of the social fabric, and those who were very satisfied with the Plan and the positive effects it was having on restoring the environment.

1.15 Much of the evidence detailed the impacts of the Plan on industry and communities. This evidence has enabled the committee to digest a greater understanding of the uniqueness of different regions' issues and impacts of the Plan across the basin and the complexity of effectively managing the basin's water for ongoing, productive use.

### **Notes on references**

1.16 References to submissions in this report are to individual submissions received by the committee and published on the committee's website. References to the committee Hansards are to the official transcripts from inquiry public hearings.

1.17 During the course of the inquiry, the federal responsibility for water management moved from the Department of the Environment to the Department of Agriculture and Water Resources (DAWR). As such, the Department of the Environment prepared a submission to the inquiry (Submission 50), and representatives from that department appeared at the committee's first public hearing in September 2015, but the (same) representatives at the committee's final public hearing were from DAWR.

### **Acknowledgments**

1.18 The committee would like to thank the many individuals and organisations that made written submissions to the inquiry, as well as those who gave evidence at the public hearings.

