

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 166

Division/Agency: Murray-Darling Basin Authority

Topic: Funding for future years

Proof Hansard page: Written

Senator STERLE asked:

- a) How much funding is allocated for the MDBA for future years?
- b) The budget notes that it is transitioning to be a “commonwealth corporate entity”? Does that mean the funding reduces by over one half (approx. \$84m to \$37m)?
- c) Where is the budget allocation for the MDBA listed in the budget that is above \$37m?

Answer:

The following funding is allocated to the Murray-Darling Basin Authority (MDBA) for future years.

	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000
South Australian Riverland Floodplains Integrated Infrastructure Programme (SARFIIP) funding	30,000	30,000	20,000
Basin Plan functions	7,375	5,473	4,618
Total Government revenue¹	37,375	35,473	24,618

The MDBA has transitioned to a corporate Commonwealth entity but this has no impact on the level of funding received.

The funding for the basin plan functions decreases significantly from 2016-17 as the ten year Water For the Future initiative, which was the source for the core funding for the delivery of the MDBA Basin Plan functions, ceases on 30 June 2017. The MDBA has submitted a New Policy Proposal seeking an extension of funding for continuation of Basin Plan functions in the Murray-Darling Basin from 2017-18.

¹ 2016-17 Portfolio Budget Statements

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 167

Division/Agency: Murray-Darling Basin Authority

Topic: Uncertainty for the Authority

Proof Hansard page: Written

Senator STERLE asked:

Does this create uncertainty for the Authority?

Answer:

The ending of the ten year, Water For the Future initiative in June 2017 has created some uncertainty for Murray-Darling Basin Authority staff who may have not experienced the usual government budgetary measures, which generally see review of future funding arrangements on either a four year or an annual basis. The long-term bipartisan and multi-jurisdictional commitment to the ongoing implementation of the Basin Plan provides the Authority with confidence that funding will be provided to enable the finalisation of the Basin Plan.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 168

Division/Agency: Murray-Darling Basin Authority

Topic: Demand for Work

Proof Hansard page: Written

Senator STERLE asked:

Is demand for your work/services increasing or decreasing?

Answer:

The work of the Murray-Darling Basin Authority (MDBA) in implementing the Basin Plan is an ongoing function and the demand for our services changes over time. The largest activity in the near term will be working with State and Territory governments to accredit their 36 water sharing plans which control water use across the Basin. This work is expected to peak in 2019. Implementation of the Basin Plan will include monitoring and compliance activities across the Basin, and preparing for a review of the scheme in 2026.

The work of the MDBA in managing the River Murray System on behalf of the joint governments is also an ongoing role. The nature and complexity of this function is likely to increase in future as additional assets to manage environmental water are completed and integrated into the overall operation of the Murray-Darling river system.

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ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 169

Division/Agency: Murray-Darling Basin Authority

Topic: Budget affecting the organisation

Proof Hansard page: Written

Senator STERLE asked:

How is budget uncertainty affecting your organisation? Are you employing more staff? On an ongoing basis?

Answer:

The Murray-Darling Basin Authority (MDBA) has two main sources of funding:

- 1) Joint programs – where the MDBA receives funding to undertake activities on behalf of the Commonwealth and Basin States (NSW, QLD, VIC, SA and the ACT).
- 2) Commonwealth only funding – where the MDBA receives funding to implement the Basin Plan.

From time to time there has been budget uncertainty in both sources of funding. We continue to employ the staff we need to deliver our obligations under the *Water Act 2007* (Cth), the Basin Plan and the joint program of works approved through the Ministerial Council.

The requirement to address lapsing funding before 2017-18 for Commonwealth activities funded under the ten year Water For the Future initiative is well understood across the MDBA. Staff have been advised of our progress in seeking to secure long-term funding and these aspects have been incorporated into our Strategic Workforce Plan along with the other challenges posed by the changing requirements of the *Water Act 2007* (Cth) and Basin Plan. The APSC Statistical Bulletin for 2015-16, Table 15, identifies the MDBA's ongoing staff retention percentage is 83.4 per cent. This indicates that staff are cognisant of the MDBA's efforts and are not leaving the agency due to the uncertainty.

The MDBA closely manages recruitment activity against Average Staffing Levels (ASL) to take into account separations and the need to maintain core capabilities. We use non-ongoing employment as one of the strategies to position the MDBA against the ASL cap of 316 identified in the Portfolio Budget Statements. At 30 June 2016, 8 per cent of the MDBA's headcount comprised non-ongoing staff.

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ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 170

Division/Agency: Murray-Darling Basin Authority

Topics: The Basin Plan

Proof Hansard page: Written

Senator STERLE asked:

- a) The Basin Plan includes projects to use water more efficiently or save water through management. You are responsible for water management in the Basin, is that correct?
- b) Has the authority assessed or undertaken preliminary assessment of the state water saving projects?
- c) If so, what is the estimated water recovery?
- d) Are there any projects you are concerned about?
- e) How many projects are there?
- f) What are the locations?

Answer:

- a) Water management in the Murray-Darling Basin is a responsibility shared between State and Federal government departments and agencies.

The Murray–Darling Basin Authority (MDBA) is a Commonwealth statutory authority established by the Water Act 2007. It has two distinct functions – developing a plan to achieve sustainable water resource management across the Basin and overseeing its implementation, and operating the River Murray System and related activities on behalf of the Basin Governments. As part of the wider Basin reforms, the Commonwealth Department of Agriculture and Water Resources is implementing a program to improve the efficiency of irrigation water use across the Basin.

- b) The MDBA publish quarterly reports on progress towards the recovery of 2750 GL to achieve the reduction in diversions specified in the Basin Plan (see <http://www.mdba.gov.au/managing-water/environmental-water/progress-water-recovery>). This report is prepared using information provided by the Department of Agriculture and Water Resources and the relevant State Government Agencies.

Question: 170 (continued)

- c) The most recent water recovery progress report, published on 30 September 2016, shows that the total estimated contracted water recovery is 1 996.1 gigalitres (GL). This includes all water recovered by both Commonwealth and State led infrastructure and water purchase projects.

In addition, the Basin Plan has a mechanism that allows SDLs to be adjusted based on projects brought forward to achieve the same outcomes with less water. These SDL adjustment measures can either be projects that achieve the same environmental outcomes with less water, and allow SDLs to be increased (supply measures) or projects that achieve the same production using less water, and allow SDLs to be reduced (efficiency measures). These SDL adjustment measures can result in a change in the overall Basin SDL target of up to five per cent.

- d) The MDBA do not review water recovery projects that are aimed at meeting the 2 750 GL water recovery target individually. Advice on this matter should be sought from the Department of Agriculture and Water Resources.

The Basin Officials Committee proposed a package of SDL adjustment measures to the MDBA in May 2016. The MBDA is currently assessing this package using the method described in the Basin Plan to determine the volume of SDL adjustment.

- e) The MDBA do not review water recovery projects that are aimed at meeting the 2 750 GL water recovery target individually. Advice on this matter should be sought from the Department of Agriculture and Water Resources.

The package of SDL adjustment measures proposed by the Basin Officials Committee to MDBA includes 36 measures.

- f) The MDBA do not review water recovery projects individually. Advice on this matter should be sought from the Department of Agriculture and Water Resources.

The location and short descriptions of the SDL adjustment measures that have currently been proposed are published on the MDBA website (<http://www.mdba.gov.au/basin-plan-roll-out/sustainable-diversion-limits/sdl-adjustment-proposals>). All SDL adjustment measures currently proposed are located in the southern Basin.

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Question: 171

Division/Agency: Murray-Darling Basin Authority

Topic: Risk of mistake

Proof Hansard page: Written

Senator STERLE asked:

Does budget change or uncertainty increase the risk of a mistake? How is this being managed?

Answer:

No. The Murray-Darling Basin Authority (MDBA) takes a positive approach to risk management, realising that the effects of uncertainty on objectives can be positive or negative. Collectively, the MDBA strives for a positive risk culture where risks and their management are not only discussed regularly, but embodied in our strategic approach and day to day practices. All staff are aware of and operate in accordance with the MDBA's Risk Management Framework and Policy.

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Supplementary Budget Estimates October 2016

Agriculture and Water Resources

Question: 172

Division/Agency: Murray-Darling Basin Authority

Topic: Complementary measures and the SDL

Proof Hansard page: Written

Senator STERLE asked:

Can MDBA confirm that water recovered from the tributaries of the Barwon-Darling for social and environmental purposes in the Barwon-Darling, Menindee and the Southern Basin is available for extraction by irrigators between Walgett and Bourke?

Answer:

No. Diversions in the Barwon-Darling continue to be limited by the cap on diversion (under the Murray-Darling Basin Agreement Schedule E) until compliance with the Sustainable Diversion Limit (SDL) commences (1 July 2019). The existing cap limits the amount of water that can be used for consumptive purposes in the Barwon-Darling. The limits imposed by the cap, and, in future, by the SDL, mean that any water recovered from the tributaries of the Barwon-Darling will be protected in the long term.