

## Backgrounder – Not for Publication

### The Murray-Darling Basin Plan

On Monday 28 November, the Murray-Darling Basin Authority will release the Draft Basin Plan. This briefing is designed to assist media representatives by providing a background and an understanding of the terminology in this policy area.

#### Background

The terminology of water policy makes life difficult. You can find a guide to volumes (explaining megalitres and gigalitres and what they look like) [here](#). The use of acronyms can add to the confusion, so we've prepared a guide [here](#).

The move toward sustainable co-operative Basin scale management commenced with a COAG agreement in 1996. This was furthered by what became the "blueprint" for reform, the [National Water Initiative](#), in 2004.

#### The National Water Initiative (NWI)

This Inter-Governmental Agreement established a series of requirements for both States and the Commonwealth. It included secure water entitlements, statutory provision for environmental water, establishing a trans-boundary water market and addressing [over-allocation](#).

A central tenet of the NWI was to optimise "economic, social and environmental outcomes", which would need to be achieved by "trade-offs between competing outcomes" which would require "judgements informed by best available science, socio-economic analysis and community input."

#### Environmental Water Recovery

A range of programs operated both before and after the NWI. One of the largest cooperative programs was [The Living Murray](#), which obtained 500 gigalitres for various environmental sites on the Murray River. In NSW, [Water Sharing Plans](#) were established (many commencing in 2004) which saw significant volumes in major systems diverted from productive to environmental use.

## **The Commonwealth *Water Act* 2007**

Under then-Minister Turnbull, the Howard Government commenced preparation of a Commonwealth Act that would formalise co-operative management of trans-boundary river and groundwater systems in the Murray-Darling Basin.

The *Act* was originally to be based on a referral of powers from the States. When one State, Victoria, withdrew from those negotiations, the Commonwealth made a determination to proceed using existing Constitutional powers (external affairs with referenced to [Ramsar](#) and other treaties). It was at this juncture that the *Act* went from balancing social, economic and environmental impacts to focusing on environment first with other considerations only a later “input”. Our *Act* [briefing paper](#) provides further detail. An early version of the Bill – before balance was lost – is available [here](#).

Some debate has occurred as to whether a balanced plan can be delivered under the *Act*. Minister Burke believes that it can. Legal experts have argued otherwise. A NSWIC paper on the matter is available [here](#).

### **The Basin Plan**

The key output of the *Act* is the Basin Plan. The Plan becomes a regulation pursuant to the *Act*.

In turn, the key component of the Plan is the sustainable diversion limit, or SDL. The gap between current diversion limits and the new SDL is the “cut” to water oft reported.

Under the Chairmanship of Mike Taylor, the Murray-Darling Basin Authority (MDBA), which is the agency tasked with preparing the Basin Plan, a *Guide to the Basin Plan* as published in late 2010. The Guide proposed a cut of between 3,000 and 4,000 gigalitres Basin wide. This would have seen a cut of over 30% in many valleys. The social and economic impacts were poorly explained, with the Chairman disowning the associated ridiculously low 800 job losses *during* the release media conference.

Subsequent to the release of the Guide, the MDBA set out on a series of public meetings across the Basin. The most reported were in Deniliquin, at which many hundreds were locked out when the venue filled to capacity, and Griffith where angry scenes were recorded.

On the day of the Griffith meeting, the Commonwealth announced a Parliamentary Inquiry (Chaired by Tony Windsor) and a review of social and economic impacts.

Mike Taylor resigned as Chairman soon after and was replaced by ex-NSW Minister Craig Knowles.

Mr Knowles travelled extensively across the Basin in the subsequent 12 months. He promised changes including “localism”, a “pause point” at 2015 and a SDL of 2,800 gigalitres. The reduction from 3,000 was mainly confined to the northern Basin. A spreadsheet examining the valley-by-valley reduction difference between Guide and current information is [here](#).

The Windsor Inquiry [report](#) was unanimous. It made a series of recommendations which have not been significantly addressed to date. The primary recommendation was to cease “non-strategic” purchase. A definition was not provided.

## Positions of the Major Players

NSW Irrigators Council believes that the root cause of the problem is the *Water Act* and has advocated for legislative change. Its position is best summarised by a submission to the Windsor Inquiry [here](#). Note that a Senate Inquiry [recommended](#) changes to the *Act*. The Council notes that the current Plan would result in tens of thousands of job losses (using their publicly available [calculator](#))

The National Irrigators Council likewise [advocates](#) a change to the *Act*.

The NSW Farmers Association set [four criteria](#) that must be addressed in the Basin Plan. They have publicly [commented](#) that information on the Plan to date sees none of these addressed.

The NSW Government has publicly [stated](#) that it will “walk away” from the process if the Plan does not give “equal weight to economic and social factors”.

Representing the broader community and business entities that will be impacted by the Basin Plan, the [Basin Communities Association](#) undertook a major research project early in 2011 to understand what communities and businesses required. That project – forums across all Basin States – resulted in [8 criteria](#) which they say must be met.

Environmental lobbyists taking an interest in the issue include the Australian Conservation Foundation, the Wilderness Society and Environment Victoria. They have variously argued for a 4,000 gigalitre cut, a 7,600 gigalitre cut and an “independent” review of the “science” (despite the statutory independence of the MDBA). The World Wildlife Fund-backed Wentworth Group has previously argued for 4,000.

## What Next?

The Draft Basin Plan is to be formally released on Monday 28 November. The vast majority of the details – and, indeed, full copies of draft material – have been “leaked” and widely reported.

The MDBA were obliged by the *Act* to undertake a 16 week consultation period. Given the timing of the release and the holiday period, this has been extended to 20 weeks with [submissions due](#) by Monday 16 April 2012.

The Basin Communities Association will [meet](#) in Griffith on 4 December to evaluate the Plan against its criteria.

After the consultation period, the MDBA hand the completed Plan to the Commonwealth Minister who can change it unilaterally. It must be tabled in the Parliament as a [disallowable instrument](#), where it will become law unless a motion is passed to defeat it.

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