Australian Government

MURRAY–DARLING BASIN AUTHORITY

The Basin Plan

A Concept Statement

Developed by the Murray–Darling Basin Authority
Published June 2009

This concept statement provides general information on the Murray-Darling Basin Authority's (MDBA's) current thinking and its overall approach to developing the Basin Plan, at an early stage of the plan's development. The content of this concept statement is subject to change. While reasonable care has been taken in preparing this concept statement, MDBA provides no warranties and makes no representations that the information contained in the concept statement is correct, complete or reliable.

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Foreword

The Murray–Darling Basin is under enormous stress as a result of past water-allocation decisions, prolonged drought, natural climate variability, and emerging climate change.

As part of the process for resolving these problems, the Murray–Darling Basin Authority has been given the historic task of preparing a Basin Plan — a strategic plan for the integrated and sustainable management of water resources across the whole Basin. This is planning at a scale and complexity that have never been undertaken anywhere else in the world.

The plan will provide a fundamental framework for future water-planning arrangements, and will be based on the best and latest scientific, social, cultural and economic knowledge, evidence and analysis. In preparing the plan, the Murray–Darling Basin Authority will consult extensively with Basin state and territory governments, key stakeholders, and rural and regional communities across the Basin.

The Basin Plan concept statement is the first document about the Basin Plan to be published by the Murray–Darling Basin Authority. The purpose of the concept statement is to explain in general terms the key elements and approach being taken in developing the Basin Plan. The concept statement also explains the purpose of the Basin Plan, what it will contain, and when and how it is being developed.

The first Basin Plan, to be released in 2011, is not a one-off document: it is an ongoing and dynamic process, with periods of review and revision to come in the future, in the light of the practicalities of implementation and of changing knowledge and information.

I and my fellow members of the Murray–Darling Basin Authority are committed to devoting our energy and all our combined expertise — in water, the environment, natural resource management and agriculture — to developing the plan, and building a better future for the Murray–Darling Basin.

Michael J Taylor, AO
Chair, Murray–Darling Basin Authority

Above: Bark of a River red gum in Chowilla National Park, NSW

Inset: Murray–Darling Basin Authority members, clockwise from left: David Green; Professor Barry Hart; Chief Executive Rob Freeman; Chair, Mike Taylor; Dianne Davidson, Dr Diana Day.

Introducing the Murray–Darling Basin Authority

The Murray–Darling Basin Authority (MDBA) is a statutory agency established by section 171 of the Commonwealth Water Act 2007. The Water Act enables the Australian Government, in conjunction with the Basin states, to manage the Basin's water resources in the national interest.

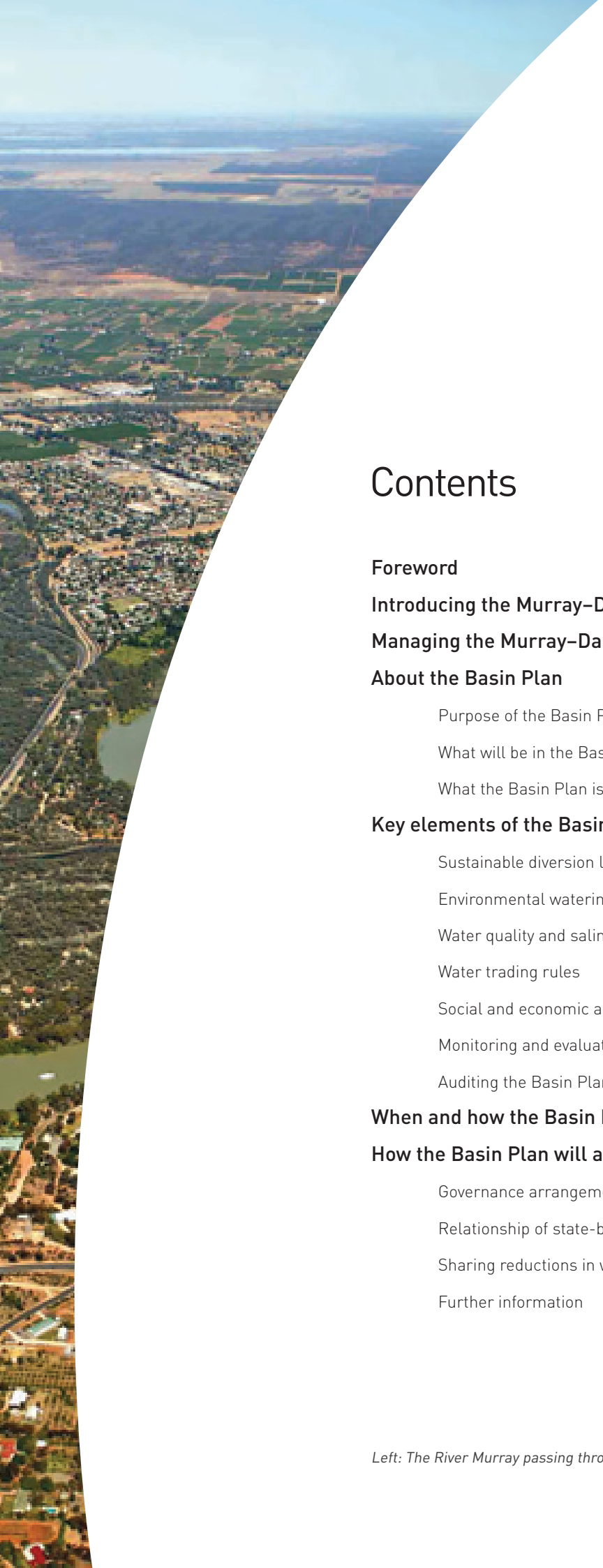
The creation of the MDBA means that, for the first time, a single agency is responsible for planning the integrated management of water resources across the Murray–Darling Basin.

The Murray–Darling Basin Authority has six members. These comprise a part-time Chair, Mr Michael Taylor, AO, a full-time Chief Executive, Mr Rob Freeman, and four part-time members, Dianne Davidson, David Green, Dr Diana Day and Professor Barry Hart. Authority members have significant expertise in the fields of water resource management, hydrology, freshwater ecology, resource economics, irrigated agriculture, public-sector governance and financial management.

The MDBA began operations on 8 September 2008 and is responsible for:

- preparing the Basin Plan and future amendments to the Basin Plan for adoption by the Commonwealth Minister for Climate Change and Water
- implementing and enforcing the Basin Plan
- advising the minister on the accreditation of state water resource plans
- developing a water rights information service which facilitates water trading across the Murray–Darling Basin
- measuring and monitoring water resources in the Basin
- gathering information and undertaking research about water resources in the Basin
- engaging the community in the management of the Basin's resources.

In addition, the MDBA has powers and functions under the new Murray–Darling Basin Agreement (Schedule 1 to the Water Act). This is an agreement between the Commonwealth, New South Wales, Victoria, South Australia, Queensland and the Australian Capital Territory that establishes arrangements for matters such as state water shares within the River Murray system; the construction, operation and maintenance of the River Murray assets; and natural resource management programs that are jointly funded. On Monday 15 December 2008, the MDBA absorbed all the functions of the former Murray–Darling Basin Commission, which then ceased to exist.



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Left: The River Murray passing through Renmark, South Australia

Managing the Murray–Darling Basin

We are entering an entirely new era in how Australia manages its water and protects its environment. For the first time, the surface water, groundwater and environmental resources of the national heartland, the Murray–Darling Basin, will be managed as a whole, according to a single, legally enforceable plan — the Basin Plan. This is critical, for the Basin's waters directly support three million Australians, as well as internationally protected wetlands, important river channels, billabongs and streams. The Basin's exports earn $9 billion a year and its agricultural industry produces food sufficient to feed around 20 million people.

In managing the Basin as a whole, Australia is tackling a challenge that has never yet been surmounted anywhere in the world: to restore a major river system to a healthy state so that it can sustain its environment, enhance and maintain the services it provides, and support the communities and industries that depend on it.

A century of construction of dams, weirs, and barrages has enabled the storage of 35,000 gigalitres[1] of water within the Basin. This is delivered to thousands of farmers and other users through state-regulated entitlement systems. It is chiefly used to produce food and fibre, enabling the economic and social development of the Basin and its contribution to the nation. It also supports major urban communities and important cultural and recreational activities.

However, enormous strain is now being placed on the Basin's communities, industries and natural environment by a combination of prolonged drought, emerging changes in climate and the impact of past water-allocation decisions. These factors will all be taken into account in future planning and management.

Many of the Basin's rivers and groundwater systems are stressed and over-allocated. Lack of water and the absence of natural flooding are having a grave impact on iconic wetlands and other important environmental sites, such as the Coorong, the Murray Mouth, floodplains and wetlands. Individual communities face water restrictions. Industries face shortages, uncertainty and economic losses.

The Basin Plan will be based on the best and latest scientific, social, cultural and economic knowledge, evidence and analysis. In preparing the plan, the Murray–Darling Basin Authority will consult extensively with Basin state and territory governments, key stakeholders, and rural and regional communities across the Basin. In future, the plan will be reviewed and revised, and will continue to evolve as it is implemented and as new information and knowledge becomes available.

[1] A gigalitre is 1 billion (i.e. 1,000 million) litres of water, the equivalent of about 400 Olympic swimming pools.

Image: River Murray near Murtho in South Australia

The plan will seek to protect and restore key environmental assets — rivers, streams, wetlands, forests, floodplains and billabongs — and key ecosystem functions which are essential to the life of the rivers and their surrounding landscapes, as well as to human activities and cultural values. The Basin Plan must also take into account the impact of this protection and restoration on individual communities, industries, regions and the wider economy.

What matters most in any plan is its outcome. In the long term, as the Basin Plan is put into action, Australians will see:

- improved water security for all water uses
- more natural flow regimes in the rivers
- key forests, floodplains, rivers, streams and wetlands being restored to a sustainable level of health, with improved conditions for populations of native fish, birds and other fauna
- improved water quality for users and the environment.

The Basin Plan will also provide a framework that can contribute to other positive outcomes, such as:

- sustainable industries demonstrating leadership in water-use efficiency, cutting-edge technologies, new crops and innovative land and water management suited to the Australian environment
- vibrant river communities demonstrating leadership in restoring their local environments, developing new opportunities, and responding to the challenges of water scarcity with imagination and enterprise.

Achieving such outcomes when the Basin's water resources are under great stress, after years of drought and amid signs that the climate is becoming drier, will be neither easy nor quick. Despite the urgency, it will be a number of years before the new plan's provisions, including sustainable limits on water diversions, come into effect. This timing provides the opportunity for planned adjustments to occur.

While certain benefits of the Basin Plan may take some time to eventuate, other benefits will become apparent more quickly. For instance, the plan will bring greater certainty to water users and support their ability to adapt or to find new opportunities. Under the plan, water users will have greater flexibility in buying and selling water through improved water markets.

While certain roles and responsibilities for the management of the Basin's water resources have been conferred on the MDBA by the Water Act, other activities are best developed and delivered by other entities, particularly the Basin state and territory governments. Catchment management authorities, natural resource management boards and related institutions, industry associations, enterprises, non-government organisations, Indigenous communities, householders and individuals will all also have an important part to play.

About the Basin Plan

Purpose of the Basin Plan

The Commonwealth *Water Act 2007*[2] requires the Murray–Darling Basin Authority (MDBA) to prepare and oversee a Basin Plan. This plan is a legally enforceable document that provides for the integrated management of all the Basin's water resources. Some of the main functions of the Basin Plan will be to:

- set and enforce environmentally sustainable limits on the quantities of surface water and groundwater that may be taken from Basin water resources
- set Basin-wide environmental objectives, and water quality and salinity objectives
- develop efficient water trading regimes across the Basin
- set requirements that must be met by state water resource plans
- improve water security for all uses of Basin water resources.

The Basin Plan will provide the foundation for managing the Basin's water resources in a way that can be sustained through time and in the national interest.

[2] Unless otherwise specified, all Acts referred to in this document are Commonwealth Acts.

What will be in the Basin Plan

The Basin Plan will be a single, consistent and integrated approach to managing all the water resources in the Murray–Darling Basin.

The plan will describe the Basin's surface-water and groundwater resources and explain how they are currently used by industry, environment and all communities, including Indigenous communities, across the Basin.

The central legal requirement of the Basin Plan is to set environmentally sustainable limits on the amount of water that can be taken in future from the Basin's water resources. Such a limit is known as a 'sustainable diversion limit' (SDL).

Using the best and latest scientific, social, cultural and economic knowledge, evidence and analysis, the SDL for the Basin will be set through a process (outlined later in this document) which involves and directly relates to two other key parts of the Basin Plan: the environmental watering plan, and the water quality and salinity management plan. These three elements of the plan will be closely interlinked, as each influences the others.

Below: Sheep farming near Howlong NSW

The Basin Plan will identify key environmental assets and ecosystem functions of water resources that must be protected. It will also identify risks to the condition or continued availability of Basin water resources and provide strategies for managing those risks.

These risks include issues arising from the taking and using of water, the effects of climate change, changes to land use, and lack of knowledge. Risks such as salinity, acid sulfate soils and other factors affecting water quality will also be taken into account. In developing the plan, MDBA will continue to identify new and emerging risks, and work out the best ways to manage them.

State governments remain responsible for securing and providing the volume of water required for critical human needs. However, the Basin Plan will specify arrangements such as the provision of conveyance water for meeting the critical human water needs of those communities dependent on the River Murray system (excluding the Edward–Wakool System downstream of Stevens Weir).

The Murray–Darling Basin Authority must report on the impacts of the Basin Plan as soon as possible after the end of the first five years that the plan has been in effect. The MDBA must review the plan at least every 10 years, but proposes to review the plan as part of an ongoing and dynamic process.

Left: Chifley Dam at sunrise, NSW

Far left inset: Broughton Pea (Swainsona procumbens) at Moodies Swamp, Victoria

Left inset: Sulfur–crested cockatoo in Barmah Forest, NSW

About the Basin Plan

What the plan will be based on

As part of the preparation of the Basin Plan, the MDBA will act on the basis of the best available scientific knowledge and socioeconomic analysis. This will include having regard to social, cultural, Indigenous and other public benefit issues. The MDBA will use the socioeconomic analysis to inform how, where and when water can be delivered to meet environmental requirements.

The MDBA must also consider the likely socioeconomic implications of any reductions in the long-term average sustainable diversion limits. A report on the socioeconomic implications will be provided to the Murray–Darling Basin Ministerial Council when the proposed Basin Plan is provided to the council for comment.

Stakeholder input will be an important contribution to the Basin Plan, including through the formal consultation processes mandated in the Water Act.

Current scientific understanding and technical capacity vary greatly across the many different issues covered in the Basin Plan. In cases such as salinity, there is considerable scientific knowledge to be drawn on; in others — such as environmental response to changes in water availability, the extent of connections between surface and groundwater, or future climate conditions — far less information is available or the uncertainty is higher.

Climate change and variability over millennia mean that historical records cannot be relied on for predicting future conditions, so it will be necessary to draw on climate modelling scenarios, to understand possible impacts on the Basin's water, and to develop adaptive water planning arrangements accordingly. All this calls for a strategic approach to consulting and gathering information on which to develop the first Basin Plan and provide the basis for future plans.

Much valuable information already exists that can be used to help develop the Basin Plan: for example, CSIRO's Murray–Darling Basin Sustainable Yields Project, and MDBA's Sustainable Rivers Audit.

Beyond these two major studies there are numerous datasets, reports and other information that will be useful in developing particular components of the Basin Plan. The MDBA will draw on all these resources — from scientific and research groups, universities, state agencies and the cultural knowledge of Indigenous communities — for the best, most up-to-date information.

Below: Indigenous storytelling in the northern Murray–Darling Basin

Key elements of the Basin Plan

Key elements of the Basin Plan include defining sustainable diversion limits (SDLs), an environmental watering plan, and a water quality and salinity management plan.

Water resource, environmental, social, cultural and economic information will be used to develop these key elements. A Basin-wide approach to the trading of water rights is another important element of the Basin Plan.

Sustainable diversion limits

At the heart of the Basin Plan will be limits on the quantities of surface water and groundwater that can be taken from the Basin water resources. These are known as 'sustainable diversion limits' (SDLs).

The SDLs will take into account the best available science, and the 'precautionary principle'. According to this principle, if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.

SDLs will limit the quantity of surface water and groundwater that may be taken from the Basin water resources as a whole. There will also be SDLs to limit the quantity of surface water and groundwater that can be taken from individual water resource plan areas and particular parts of water resource plan areas within the Basin. These areas will be defined in the Basin Plan and will draw upon current state water resource plan areas.

There is currently a limit, called 'the Cap', on the amount of surface water that can be taken for consumptive use in the Basin. The current Cap on surface-water diversions is set at a level based on historic use, not on what is sustainable. In addition, the existing Cap does not limit the use of groundwater, and groundwater consumption has grown significantly in the context of the introduction of the surface water Cap. While groundwater is already managed in many areas, the Basin Plan provides an opportunity to manage all groundwater proactively, using consistent criteria and in conjunction with surface water, especially in areas where groundwater and surface water are highly connected.

As the SDLs come into effect, they will replace the current Cap and resolve its shortcomings. They will set limits on the taking of both groundwater and surface water from the Basin.

The SDLs must be set at a level that the Murray–Darling Basin Authority (MDBA), using the best available scientific knowledge, determines to be environmentally sustainable. This is defined as the level at which water in the Basin can be taken from a water resource without compromising key environmental assets, key ecosystem functions, key environmental outcomes or the productive base of the water resource.

Consequently, the SDLs will be based on a series of assessments. For example, decisions must be made about which parts of the environment and ecosystem functions are 'key' and at what level of water take they will be 'compromised'.

The Basin Plan will provide for SDLs to vary, in terms of water volume, in different years. This will enable the SDLs in a given year to be influenced by storage levels, expected inflows, groundwater levels and estimates of recharge, interception activities and other factors. In determining SDLs, the variability in water resources across the Basin and the effects of climate change and variability will also be taken into account.

Given the stresses on the Basin environment, it is likely that the Basin-wide SDL for both groundwater and surface water will be set at a level below the current level of use.

Key elements of the Basin Plan

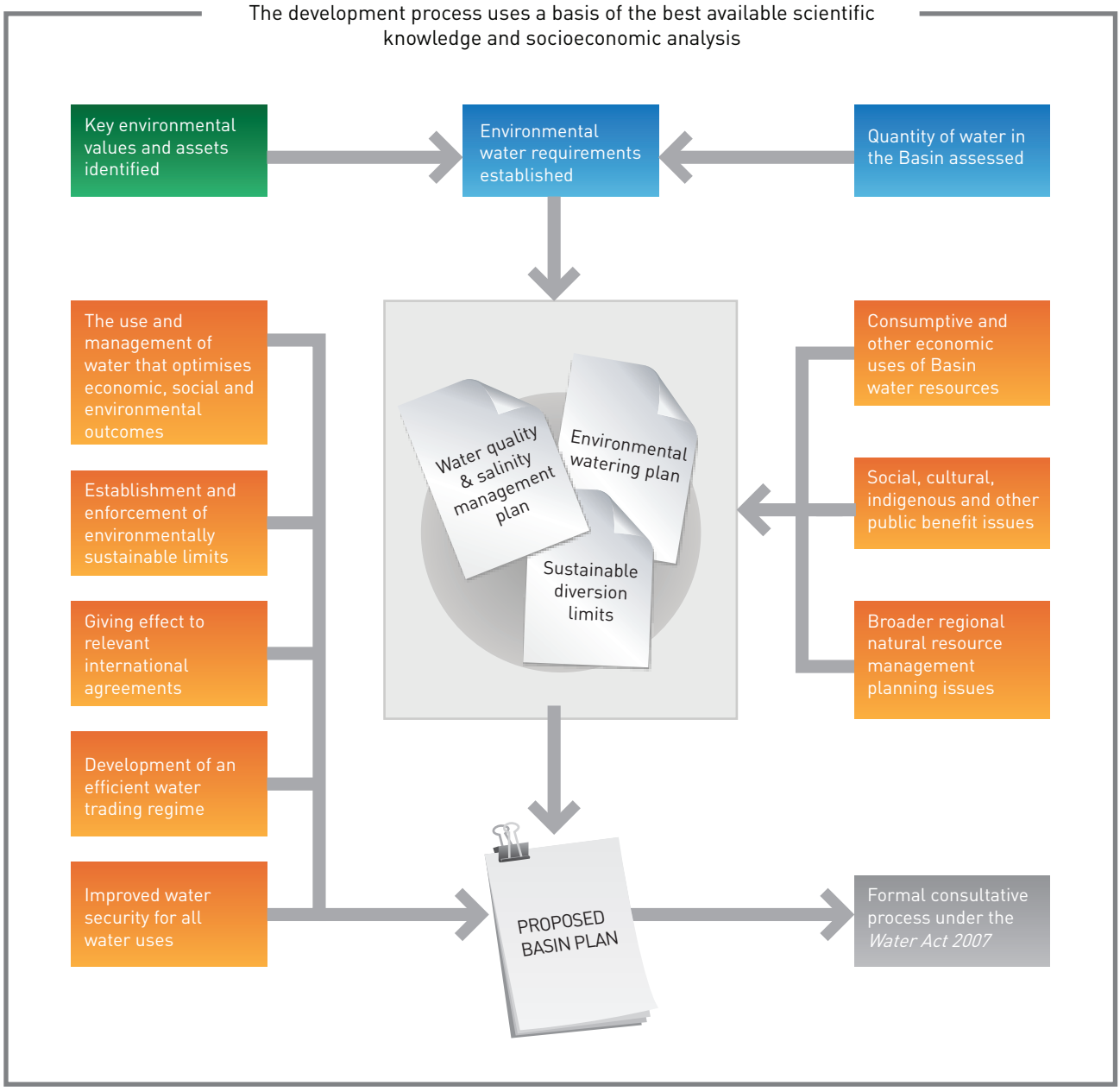


Fig. 1 The process of developing key elements of the Basin Plan

To ease the transitional impact of any reduction in the amount of water available for purposes that will be limited by the SDL, including water available for consumptive use, an additional quantity of water can be made available for up to five years after the SDL comes into effect. This is known as a 'temporary diversion provision'.

One way in which the Australian Government is already addressing the expected impact of the probable reductions in water available for purposes that will be limited by the SDL, including water available for consumptive use, is through the purchase of existing surface water entitlements for environmental use. This will have the effect of reducing the gap between current diversions and the new SDL, and will

help existing water users in their transition to sustainable water use. In addition, the Australian Government, working with the Basin states and industry, is investing significant funding to improve the water-use efficiency of irrigation infrastructure in the Basin. A portion of the water savings generated by this work will also be used by the Commonwealth to minimise the gap between current diversions and the new SDLs.

The Commonwealth Environmental Water Holder will manage entitlements obtained by the Australian Government through the direct purchase of water entitlements and investment in irrigation infrastructure efficiency. These entitlements will retain their original characteristics. This means, amongst other things, that the Australian Government will continue to pay charges related to holding and using the entitlements. If and when the Basin Plan specifies a reduction in water availability or a change in the reliability of water allocations, the Commonwealth Environmental Water Holder will be treated the same as all other entitlement holders.

The development of SDLs to ensure that key environmental assets and ecosystem functions, key environmental outcomes and the productive base of water resources are not compromised is a complex and challenging task. MDBA, after strategic consultation, will prepare a publicly available issues paper to describe more fully the key issues, the proposed method of developing SDLs, and the provisions of the Basin Plan, and will seek comments on this paper.

Environmental watering plan

A central element of the Basin Plan is an environmental watering plan to restore and sustain the wetlands and other environmental assets of the Basin and to protect biodiversity dependent on the Basin water resources. This plan will safeguard existing environmental water, plan the recovery of additional water, and coordinate the use of environmental water across the Basin.

The environmental watering plan will contain, in relation to the Basin:

- environmental objectives for water-dependent ecosystems
- targets to measure progress against these objectives
- a management framework for environmental water
- the methods used to identify key environmental assets requiring water
- the principles and methods which will set the priorities for applying environmental water
- the principles to be applied in environmental watering.

Environmental water entitlements held by the Australian Government will be managed by the Commonwealth Environmental Water Holder. The Commonwealth Environmental Water Holder is a person who, under the *Water Act 2007*, is given the function of using these entitlements to protect and restore the environmental assets of the Murray–Darling Basin, or assets outside the Basin where water is held for that area. The Australian Government's water holdings will be acquired by purchasing from willing sellers and from a share of the water savings made through the programs of the national water plan, Water for the Future. These water entitlements, along with planned environmental water provided for under the Basin Plan, will be used to protect and restore environmental assets such as wetlands and streams, including those in the Murray–Darling Basin.

The environmental watering plan will be reviewed at least every five years.

Key elements of the Basin Plan

Water quality and salinity management plan

Another vital component of the overall Basin Plan is a water quality and salinity management plan which aims to improve water quality and reduce salinity impacts across the Basin. This plan will identify the main causes of poor water quality in the Murray–Darling Basin and will set water quality and salinity objectives and targets for the Basin water resources.

For example, a salinity target may specify the level of salinity to be achieved at a particular place on a river for a specified percentage of the time. Other water quality targets may be set for particular locations throughout the Basin in a similar way. These could include targets for water health indicators such as pH (acidity/alkalinity), temperature, dissolved oxygen, turbidity, sediment load, soluble organic carbon, heavy metals, various nutrients and blue-green algae levels.

The existing Basin Salinity Management Strategy has a number of objectives and targets relating to salinity management which will be valuable in informing the development of the water quality and salinity management plan.

The water quality and salinity management plan will also be developed with regard to the National Water Quality Management Strategy.

The targets set in the water quality and salinity management plan will be reviewed every five years.

Water trading rules

The Basin Plan is required to include water trading rules, which will ensure a Basin-wide approach to the trading of water rights under the Basin Plan.

Water rights and trading requirements are presently determined by the states and by infrastructure operators, and are also influenced by the Murray–Darling Basin Agreement. The Basin Plan aims to improve the overall operational efficiency of trading water rights to promote more effective use of water.

The water trading rules will deal with various aspects of the trading of water rights within the Basin. They will deal with a range of matters including:

- the removal of barriers to trading water rights
- the terms and processes for trading water rights
- the manner in which trades of water are conducted
- the provision of information to enable trading to take place.

The rules will interact with the policies and procedures of individual state governments and their licensing authorities, and the trading of irrigation and water delivery rights by infrastructure operators.

Water trading rules will be prepared by the Murray–Darling Basin Authority (MDBA) on advice from the Australian Competition and Consumer Commission (ACCC). Stakeholder consultation will take place through two separate processes. Firstly, a consultation process will be managed by the ACCC before providing advice to MDBA. Secondly, MDBA will consult stakeholders through the broader consultation process laid down by the Water Act for the entire Basin Plan.

Left: Murray–Darling Freshwater Research Centre staff checking water quality.

Left: Automated flume gates installed as part of a program to improve water efficiency in the Shepparton Irrigation District, Victoria.

In addition to the water trading rules, the Water Act provides for two other sets of rules: water market rules and water charge rules, which complement the water trading rules. The water market rules and water charge rules will be made by the Commonwealth Minister, while the ACCC is responsible for advising on and enforcing them. The ACCC develops these rules separately from the preparation of advice on water trading rules under the Basin Plan.

Water market rules are narrower in scope than trading rules, and relate to the transformation of irrigation rights into separately held and statutory water access entitlements, which are more easily tradeable. Charge rules relate specifically to any costs or charges associated with water.

The Water Act also permits MDBA to provide a Basin-wide water rights information service, containing information on, for example, water access, water delivery, and irrigation rights in the Basin.

Social and economic analysis and implications

The Basin Plan must describe the social and economic circumstances of Basin communities that depend on Basin water resources

The MDBA will develop the plan on the basis of a number of factors including socioeconomic analysis. This will include having regard to social, cultural, Indigenous and other public benefit issues. The MDBA will use the socioeconomic analysis to inform how, where and when water can be delivered to meet environmental requirements.

Once the SDLs have been developed for the proposed Basin Plan, MDBA will assess the socioeconomic implications of any reductions in the long term average sustainable diversion limits and provide a report to the Murray–Darling Basin Ministerial Council along with the proposed Basin Plan. Governments will use this information to consider appropriate responses to social and economic impacts of the Basin Plan.

Monitoring and evaluation

A mandatory component of the Basin Plan is to develop a program for monitoring and evaluating the effectiveness of the plan. This program will set out the principles and framework to be used to monitor and evaluate the effectiveness of the Basin Plan in achieving its purpose, objectives and outcomes. The Water Act provides that the program must include reporting requirements for the Commonwealth and Basin states, as well as five-yearly reviews of water quality and salinity targets and the environmental watering plan.

The monitoring and evaluation program will establish the framework for evaluating the effectiveness of the Basin Plan's various elements, including the accreditation and implementation of the states/territory's water resource plans; compliance with the sustainable diversion limits; and progress towards the objectives and targets of the environmental watering plan and the water quality and salinity management plan.

An integral part of the monitoring and evaluation program will be to assess the current condition of Basin water resources and to track progress towards the Basin Plan's stated objectives and outcomes. The assessment will include an evaluation of ecosystems' and water resources' response to management actions, in addition to how well the Basin Plan and water resource plans have been implemented. The program will also be an important component of assessing compliance.

The monitoring and evaluation results will provide important feedback for the adaptive management of future versions of the Basin Plan, as well as guiding future research investment.

Auditing the Basin Plan's implementation

The National Water Commission will audit the effectiveness of implementation of both the Basin Plan and state water resource plans at least every five years. The results of these independent audits must be provided to the Commonwealth Minister and to ministers in Basin states.

When and how the Basin Plan will be developed

The Murray–Darling Basin Authority (MDBA) is working to a timetable that will produce a proposed Basin Plan by mid-2010, and the first Basin Plan in 2011.

During the plan's development, the MDBA will engage with non-government stakeholders, including the people, communities and industries of the Basin, mainly through a Basin Community Committee and its specialist subcommittees, such as an irrigation subcommittee, environment subcommittee and Indigenous subcommittee. The MDBA will also work closely with all Basin states and their agencies, the Basin Officials Committee, and key conservation, Indigenous and industry bodies. As a high priority, the MDBA will work in consultation with the Basin Community Committee to work out the best ways of engaging with stakeholders. The timeline and phases for plan development are outlined in Figure 2.

During the first phase ('Getting started'), MDBA will be working with key agencies to start drawing together the environmental, social, cultural and economic information required to describe the Basin's water resources and how they are used (including how they are used by all communities). This description is a mandatory part of the plan. It is also important in shaping the monitoring and evaluation strategy.

The 'Getting started' phase also includes the preparation of this concept statement to provide information on the key elements, timetable and overall approach to development of the Basin Plan. A fact sheet will be produced detailing the opportunities for stakeholders to find out about the Basin Plan and to provide input or comment.

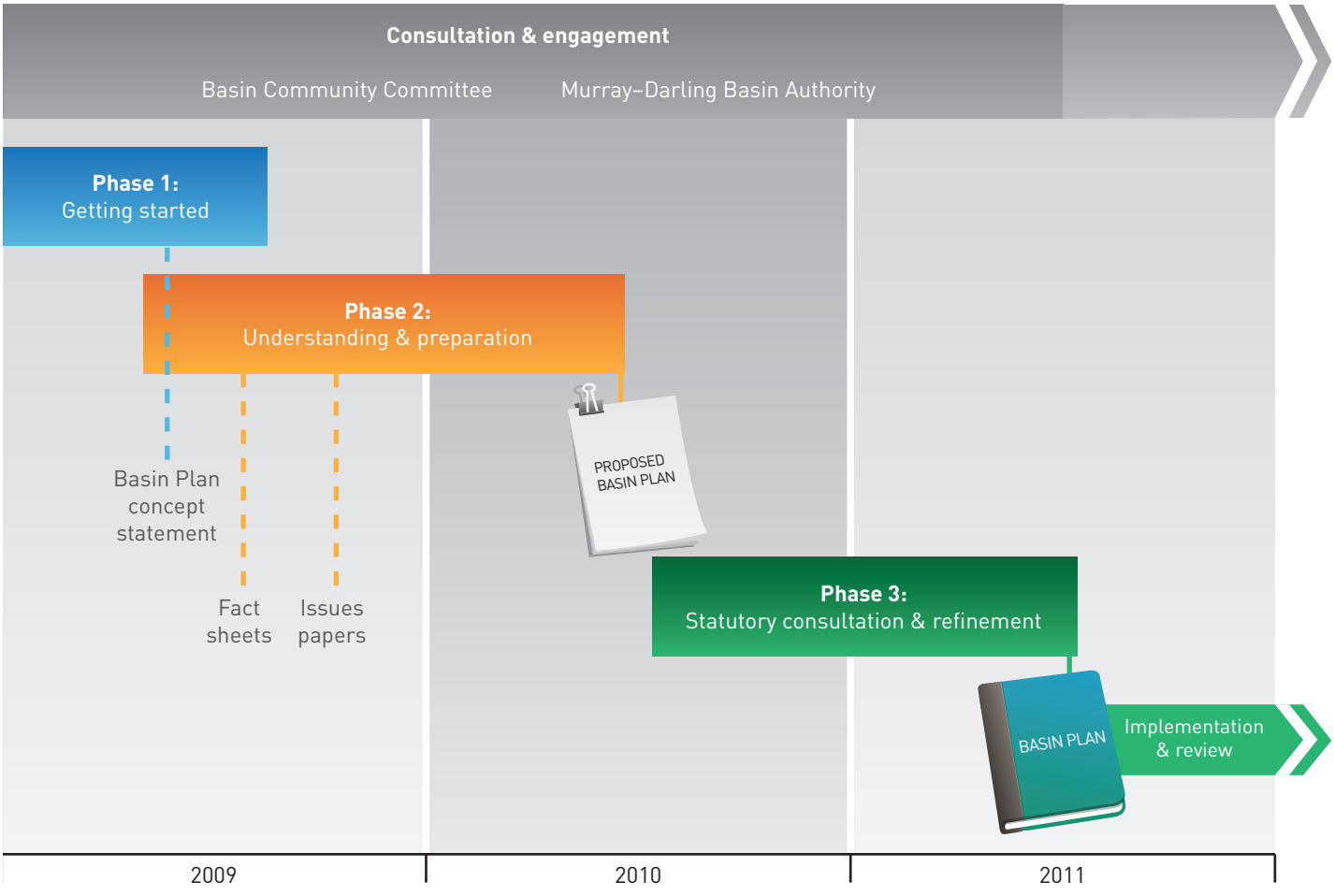


Fig. 2 Phases and timeline for development of the Basin Plan

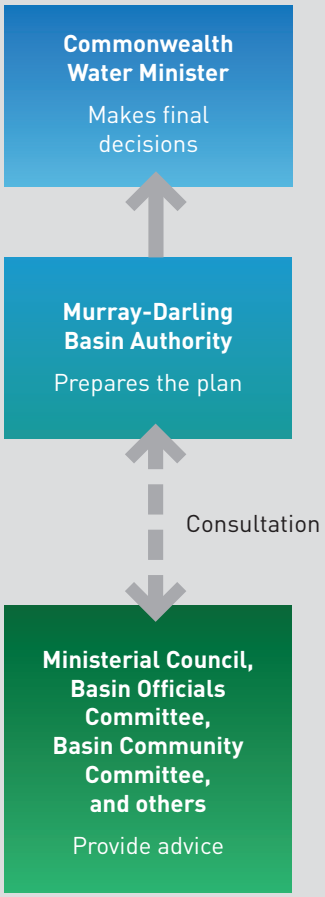
The second phase of development ('Understanding and Preparation') will begin in mid-2009. During this phase, MDBA will draw together all the information on water resources and the environment that is required to make the key decisions mandated under the *Water Act 2007* about the environmentally sustainable level of water take. Extensive scientific and evidence-based input will be sought and scenario modelling will be undertaken.

MDBA is committed to producing a range of informative materials to promote understanding of, and input to, the Basin Plan. A series of fact sheets, position papers and issues papers will be released for government, for environmental, industry and Indigenous groups, and for other interested people.

The third phase of the Basin Plan's development ('Consultation and Refinement') will include the release of the proposed Basin Plan in mid-2010 for formal consultation as required by the Water Act. The proposed Basin Plan will be published on the MDBA website, together with a 'plain English' summary. The consultation processes will provide stakeholders and Basin residents with a genuine and substantial opportunity to provide input to the plan. The MDBA will publish a summary of submissions received and explain any alterations to the plan made as a result of those submissions.

At the end of this third phase, the plan will be sent to the Commonwealth Minister for consideration and adoption.

Fig. 3 Responsibilities for preparing and approving the Basin Plan



Below: Doctors Swamp, Victoria

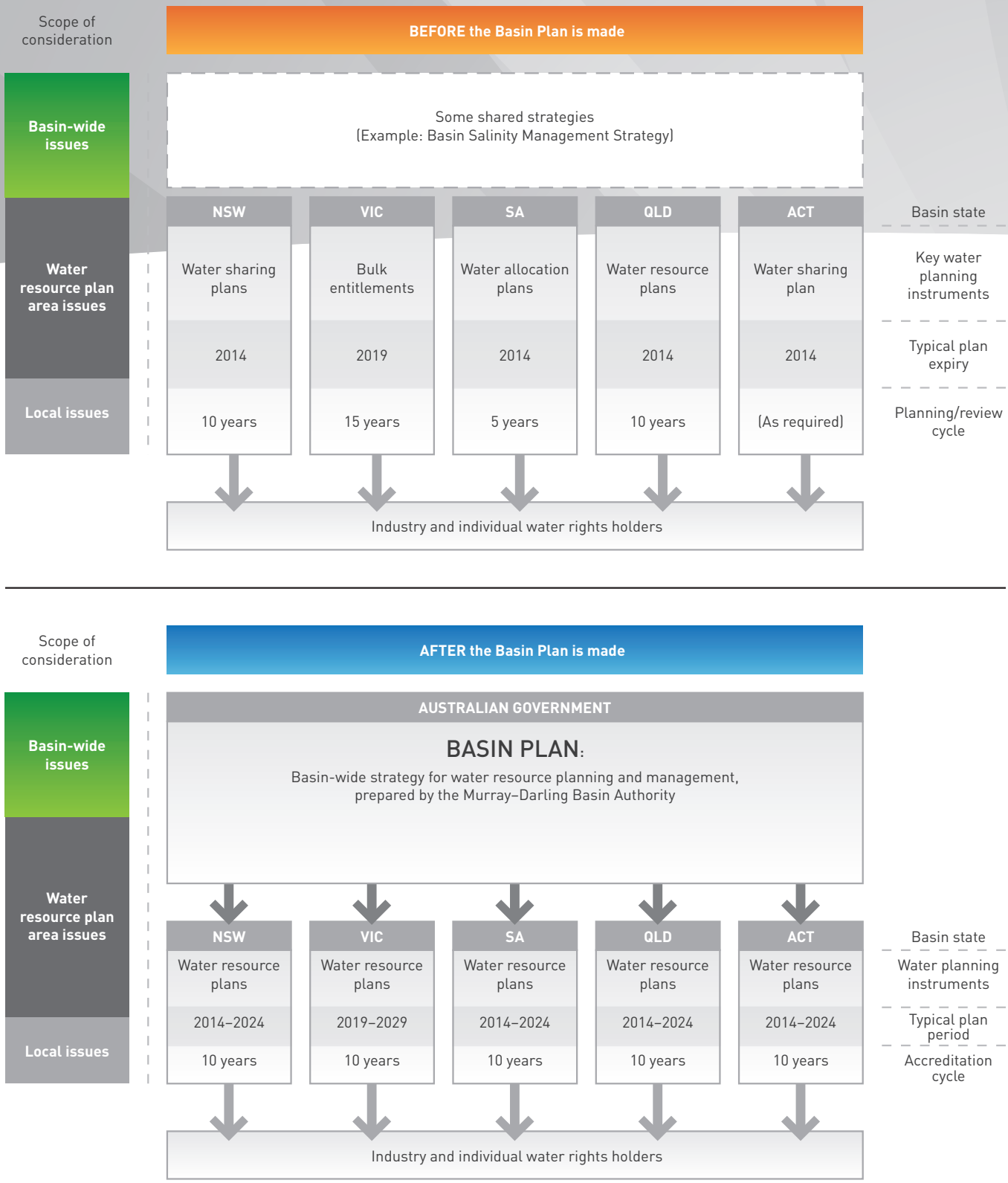


Fig. 4 General relationship of the state water resource plans to the Basin Plan

How the Basin Plan will affect us all

In one way or another, the new national approach to managing the water resources and environment of the Murray–Darling Basin affects every Australian.

In particular it affects young and future Australians who will inherit the more sustainable river systems and environment which the Basin Plan seeks to create, and who will depend on the food, fibre and other products it will provide to the national economy for generations into the future.

Governance arrangements

The *Water Act 2007* has created new governance arrangements for the waters of the Murray–Darling Basin. The Commonwealth Minister, on the advice of the Murray–Darling Basin Authority (MDBA), is now responsible for setting the framework for Basin-wide planning and management of water resources across the Basin, through the Basin Plan.

The MDBA must provide a proposed Basin Plan to the Commonwealth Minister, who is responsible for approving the plan and tabling it in the Australian Parliament. The Murray–Darling Basin Ministerial Council and Basin Officials Committee will provide advice to MDBA and the Commonwealth Minister about the Basin Plan (see Figure 3).

Relationship of state-based water resource plans to the Basin Plan

The Basin states will play a major role in putting the Basin Plan into operation by developing and implementing water resource plans that are consistent with the Basin Plan (see Figure 4). The Murray–Darling Basin Authority will also work together with the states in developing the Basin Plan.

As current state water resource plans expire and new ones are developed by the states, these will need to be accredited by the Commonwealth Minister under the Water Act. The Basin Plan will set out the requirements with which state water resource plans will need to comply in order to be accredited. The MDBA will advise the Commonwealth Minister on whether individual water resource plans comply with the requirements of the Basin Plan.

Sharing reductions in water

Governments have agreed that the risk of any future reductions in the availability of water will be shared according to a framework set out in the National Water Initiative (2004), as amended by the Intergovernmental Agreement on Murray–Darling Basin Reform (2008).

Broadly, these agreements mean that the risk of any reduction in size or reliability of a water allocation will be borne as follows:

- by water entitlement holders, if the reduction is the result of seasonal or long-term changes in climate, or of periodic natural events such as bushfires and drought
- by a government, if the reduction is the result of changes in that government's policy
- by water entitlement holders and governments (according to a specific formula), if the reduction results from improvements in knowledge about the environmentally sustainable level of take of water.

Further information

For further information on the Basin Plan, contact the Murray–Darling Basin Authority at:

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