



## THE HON TANYA PLIBERSEK MP

MINISTER FOR THE ENVIRONMENT AND WATER

### Ministerial Statement of Expectations to the Murray-Darling Basin Authority

Issued by The Hon Tanya Plibersek MP on 2 December 2024

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This Statement of Expectations outlines my expectations, as the Minister for Environment and Water, for the Murray-Darling Basin Authority's (MDBA) organisational performance as it relates to achieving its regulatory objectives, carrying out its regulatory functions and exercising its powers.

#### Overview

This Statement of Expectations forms part of the Government's commitment to good corporate governance and to our regulatory reform agenda that aims to boost Australia's productivity and lower the cost of living by ensuring a fit-for-purpose regulatory environment. The Australian Government's commitment to effective governance and performance of regulatory functions is guided by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This is complemented by the APS Reform Agenda's four priorities for an APS: that embodies integrity, that puts people and business at the centre, that operates as a model employer, and that has the capability to do its job well.

The Government is committed to better managing Australia's water for the future – for communities, for agriculture, for industry, and for the environment that sustains us all. On the driest inhabited continent on earth, water is our most precious resource. The environment and water portfolio is managing a significant shift to adapt to climate change, and regulatory reform has an important role in achieving this. I expect the MDBA to adopt a whole-of-system approach across the regulatory lifecycle. This recognises the important role that regulatory policy, reviews, and reform have in meeting regulatory outcomes.

#### Administration of regulatory functions

This Statement covers the regulatory functions undertaken by the MDBA in providing a Basin-wide framework for water management, including the Basin Plan, establishment of a Basin Wide Environmental Watering Strategy, accreditation of Water Resource Plans and establishment of, and accounting against, Sustainable Diversion Limits (SDLs), under the:

- *Water Act 2007*; and
- *Basin Plan 2012*.

While recognising the independence of the Chief Executive as the Accountable Authority of the MDBA, I expect the agency to apply the Regulator Performance Resource Management Guide (RMG 128). This includes embedding the following best practice principles set out in this Guide into the administration of regulatory functions and corporate documents, and incorporating regulatory performance reporting into annual reporting required by the PGPA Act.

- Continuous improvement and building trust: regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings.

- Risk based and data driven: regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leveraging data and digital technology to support those they regulate to comply and grow.
- Collaboration and engagement: regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

My expectations are further elaborated below.

### **Continuous improvement, building trust, collaboration and engagement**

The Government expects all regulators to commit to continuous improvement in their processes, governance and capabilities, and identify and develop organisational values and a positive culture that supports best practice.

This expectation extends to broader organisational performance and values as these are essential to building trust in the administration of regulatory functions. I expect the MDBA to deliver organisational improvement and build trust by:

- Ensuring it attracts and retains the best and brightest people so that it can continue to fulfill its important role in the Basin.
- Ensuring that the MDBA meets its obligations under the Public Service Act and consistent with APS values.
- Working collaboratively across government in the delivery of its functions.
- Managing expenditure to ensure financial sustainability.
- Ensuring that expenditure is managed efficiently, effectively and economically in accordance with finance law (including but not limited to the PGPA) and the Commonwealth resource management framework.
- Engaging with stakeholders in a transparent, meaningful and timely way.
- Being responsive to feedback in the delivery of its functions.

### **Whole-of-system regulatory stewardship**

The MDBA is a Commonwealth statutory authority established by the Water Act. It is responsible for overseeing the management of the Basin's water resources in the national interest, including coordination of the implementation of the Basin Plan. The MDBA also acts on behalf of the Commonwealth, Queensland, New South Wales, the Australian Capital Territory, Victoria and South Australia under the Murray–Darling Basin Agreement to implement the Joint Programs and operate the River Murray System.

The prospect of climate change means that many factors need to be considered when planning for the future management of water for people, agriculture and the environment. While it is impossible to 'drought-proof' the Basin, much can be done to build resilience and secure strong and vibrant communities and industries, and ensure there is enough water for a healthy environment. Regulatory frameworks have an important role in achieving this.

I expect that as a Commonwealth entity, the MDBA will adopt a whole-of-system regulatory stewardship approach across the regulatory lifecycle, consistent with principles and practices outlined in the Australian Government's Regulatory Policy, Practice & Performance Framework. This includes an expectation that MDBA should work together with other policymakers and regulators to deliver regulatory policy, practice, and performance.

I also expect the MDBA to deliver regulatory systems that are fit-for-purpose, transparent and responsive to regulatory environments and expectations from government and community. I expect it to do this by adopting principles of continuous improvement and taking an outcomes-focused

approach through the delivery of its regulatory functions. The MDBA should also consider the outcomes or recommendations of relevant Government-established panels, reviews or inquiries.

I expect the MDBA to provide leadership and ensure strong governance of implementation for priority regulatory roles connected to:

- Implementation and review of the Basin Plan as the primary regulatory framework for managing the water resources of the Murray–Darling Basin including the extent to which the Basin Plan recognises and protects the interests of Indigenous people
- Monitoring, reporting and evaluation, including Schedule 12 (of the Basin Plan) reporting
- Development and assessment of proposed Water Resource Plans and amendments to accredited Water Resource Plans, including establishing methods that ensure SDLs are achieved and able to be enforced
- Development and review of a Basin-wide Environmental Water Strategy
- Operation and reconciliation of the Sustainable Diversion Limit Adjustment Mechanism
- SDL accounting, including updates to Baseline Diversion Limit estimates and water accounting reporting.

I also expect that the MDBA will consult with the Department of Climate Change, Energy, the Environment and Water, the Inspector-General of Water Compliance (IGWC) and the Commonwealth Environmental Water Holder to ensure their views are taken into account prior to the making of amendments to the Basin Plan.

With respect to the independence of MDBA and the IGWC, I expect the MDBA to maintain strong and effective working arrangements with the IGWC. This includes collaboration to deliver efficiencies in the regulatory framework and in the performance of each party's independent regulatory functions. I further expect that the MDBA will facilitate consultation between proponent states, IGWC and MDBA on any substantive amendments to accredited Water Resource Plans, ideally prior to formal submission of amendments to the Authority for assessment.

### **Relationship with Minister**

The MDBA plays an essential role in ensuring that the Government and I are well placed to respond promptly to any policy challenges and opportunities arising from the administration of its regulatory functions. Accordingly, I expect the MDBA to provide accurate and timely advice on significant issues relating to these regulatory functions taking into account the Government's policy priorities and objectives.

This includes advice, through the Department, to guide recovery of additional environmental water and thereby assist me to discharge my legislative obligation to take all reasonable steps to increase the volume of Basin water resources available for environmental use by 450 GL by 31 December 2027 to enhance environmental outcomes under the Basin Plan.

As the responsible Minister, I will provide an enabling environment for the MDBA to consistently implement best practice by ensuring you are well informed of the Government's policy direction, as specific initiatives and strategies are being considered.

### **Transparency**

I ask that this statement and your response be made available on the MDBA's website and you integrate both statements into performance reporting through your corporate plan and annual report.