

AGREEMENT OF MURRAY-DARLING BASIN MINISTERS TO DELIVER THE BASIN PLAN IN FULL

22 AUGUST 2023

The Murray-Darling Basin Plan is a major inter-government initiative to provide water for riverine, floodplain and wetland environments of the Murray-Darling Basin.

A healthy and sustainable river system is important for Basin communities, agriculture, First Nations and industry. It sustains irrigation, tourism, recreation, cultural use and provides critical drinking water.

The purpose of the Basin Plan is to provide for the integrated management of the Basin water resources by:

- establishing and enforcing environmentally sustainable limits on water take;
- providing for environmental objectives for water-dependent ecosystems and water quality and salinity objectives;
- providing for the use and management of the Basin water resources in a way that optimises economic, social and environmental outcomes; and
- giving effect to international agreements.

The Millennium drought, combined with increasing water use, resulted in major damage to the Murray–Darling system. The Basin Plan was developed as a response to this.

In the face of an increasingly harsh climate, the Basin Plan is more important than ever. It is needed to connect rivers along their full length, to reconnect river channels to their floodplains, to provide drought resilience for all dependent communities, and to improve water quality.

The *Water Act 2007* (Cth) and Basin Plan set two water recovery targets: a target to ‘bridge the gap’ to long-term average Sustainable Diversion Limits (SDLs) and a target to recover 450 gigalitres a year of additional environmental water.

The Murray-Darling Basin Plan is due for completion by 30 June 2024. The Australian Minister for the Environment and Water, the Hon. Tanya Plibersek MP, asked the Murray-Darling Basin Authority (MDBA) to provide advice to her about whether the Basin Plan could be met within that timeline.

The MDBA advised the Minister that full implementation of the Basin Plan will not be possible by 30 June 2024, under the current settings.

In October 2022, after the first meeting of the Murray-Darling Basin Ministerial Council in over two years, Ministers restated their commitment to work together in a spirit of cooperation and collaboration to overcome the challenges to delivering the Basin Plan. At that time, Ministers noted significant challenges remain to implement the shared Basin Plan commitments by 30 June 2024, given stalled progress over the last five years and the remaining timeframe.

When Ministers met again in February 2023, they re-asserted their determination to deliver the Basin Plan in full and discussed a range of options to progress delivery. Ministers tasked officials to

develop a package, including accountability measures and work programs to deliver the Basin Plan in full.

That work is completed and the Governments of the Commonwealth and of the Murray-Darling Basin States of New South Wales, Queensland, South Australia and the Australian Capital Territory have agreed an inter-dependent package of measures to enable governments and the communities to move forward to implement the Basin Plan in full.

The Agreement provides as follows:

1. The Commonwealth will use its best endeavours to amend the Commonwealth's *Water Act 2007* to implement the Basin Plan in full by:
 - extending time to deliver Sustainable Diversion Limit Adjustment Mechanism (SDLAM) supply and constraints projects until 31 December 2026;
 - allowing for Basin states to bring forward new supply projects provided they can be achieved by no later than 31 December 2026;
 - a reconciliation of SDLAM project outcomes by the MDBA to be completed by 31 December 2026; and
 - recovering 450 GL of water for enhanced environmental outcomes.
2. The Commonwealth will extend the final deadline for SDLAM funding to Basin states. In exchange, Basin states will provide additional assurances and accountabilities for delivery of supply and constraints projects. The Commonwealth must be satisfied that the assurances and accountabilities provide sufficient certainty before it extends funding.
3. Basin governments note that not all constraints relaxation projects will be complete by 2026, but nevertheless support for those projects should continue. This arrangement will enable constraints projects, and their ability to contribute to water recovery, to be considered in the context of the Basin Plan Review.
4. In addition, Basin states will deliver a package of 'no regrets' constraints relaxation projects that support floodplain outcomes, to be completed by 31 December 2026.
5. The Commonwealth will extend the timeline for its recovery of the 450 gigalitres of additional environmental water to 31 December 2027. This is on the basis that delivering the full 450 gigalitres is not feasible under current settings and timeframes.
6. The Commonwealth will work with communities on the design and delivery of water recovery programs towards the 450 gigalitre target with all options on the table, including water purchase.
7. The Commonwealth's approach to achieving the 450 GL of additional environmental water is based on an overall assessment of value for money informed by the following principles:
 - minimising the socio-economic impact on communities;
 - environmental utility; and
 - water market price.

8. The NSW government does not support water purchases; however it recognises that the obligation rests with the Commonwealth government to deliver the Basin Plan. Accordingly, all Basin governments will work together to build public confidence in the delivery of the Basin Plan by respecting legislated obligations.
9. Should any negative social and economic impacts from delivering environmental outcomes intended under the Basin Plan be identified, the Commonwealth supports minimising these impacts on communities. This includes through:
 - considering how the 450 gigalitres of additional environmental water is recovered;
 - learning from the outcomes of previous water recovery and community adjustment programs; and
 - in the case of water purchase towards the 450 gigalitre for the environment, providing funding for community adjustment assistance and working with Basin governments and communities in delivering this assistance.
10. Basin governments commit to ongoing sustainable diversion limit compliance and water management, through Water Resource Plans, and robust water management and compliance systems.
11. The timeframe for completion of Northern Basin Toolkit projects is extended to 31 December 2026.
12. Basin governments commit to continue strengthening arrangements to improve connectivity in the northern basin to support environmental outcomes, including protecting Commonwealth environmental water to achieve environmental outcomes throughout the basin.