

Murray-Darling Basin Commission



2005-2010

Strategic Plan

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Foreword

The Murray-Darling Basin Commission is a unique organisation, involving a partnership of the Australian, NSW, Victorian, South Australian, Queensland and Australian Capital Territory governments. The purpose of this partnership, enabled by the *Murray-Darling Basin Agreement 1992*, is to:

Promote and coordinate effective planning and management for the equitable, efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin.

This Strategic Plan sets out the direction for the Murray-Darling Basin Commission for 2005-2010. The Strategic Plan was developed and written by the Murray-Darling Basin Commissioners over a six month period from February 2005 to August 2005. The document sets out the 3 primary objectives of the Commission and outlines 17 Strategies to achieve these objectives. Importantly, the plan also outlines the Key Performance Indicators against which the Commission will report and assess its performance.

Since signing the agreement in 1992, partner governments have implemented significant changes in the management of natural resources within their jurisdictions. The Commission, however, remains the sole agency responsible for considering issues at a Basin scale. The Murray-Darling Basin Commission Strategic Plan defines the role and scope of the Commission's activities in the joint management of the shared resources of the Basin.



Ian Sinclair AC
President
Murray-Darling Basin Commission



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I. Purpose and functions of the Murray-Darling Basin Commission

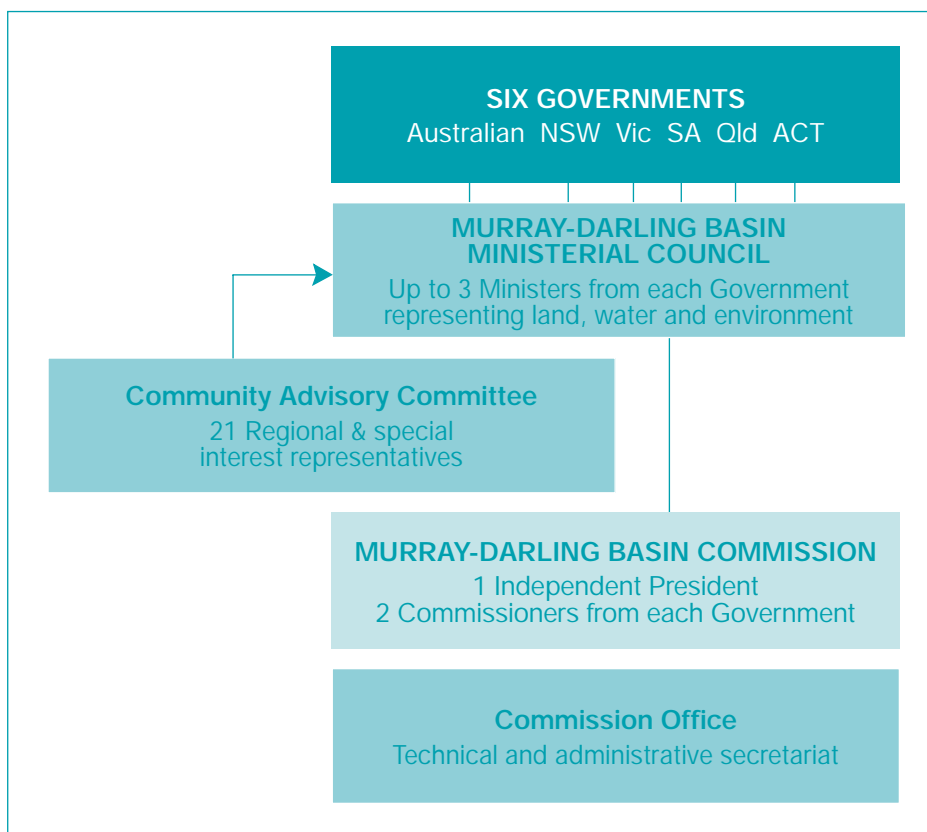
The Murray-Darling Basin Commission (The Commission) is the Executive arm of the Murray-Darling Basin Ministerial Council. (The Council) The Council is the partnership of six governments – New South Wales, Victoria, South Australia, Queensland, the Australian Capital Territory and the Australian Government. The partnership is enabled by the *Murray-Darling Basin Agreement 1992* (the Agreement).

The purpose of the partnership, as stated in the Agreement, is to:

“ promote and coordinate effective planning and management for the equitable, efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin. ”

The Agreement states that the functions of the Commission are to:

- advise the Ministerial Council in relation to the planning, development and management of the water, land and other environmental resources of the Murray-Darling Basin;
- assist the Ministerial Council in developing measures for the equitable, efficient and sustainable use of water, land and other environmental resources of the Murray-Darling Basin;
- coordinate the implementation of or, where the Ministerial Council so requires, to implement any measures authorised by the Ministerial Council; and
- give effect to any policy or decision of the Ministerial Council, which the Ministerial Council requires the Commission to implement.



II. Vision, mission and objectives

Vision

Sustainable natural resource use and healthy ecosystems in the Murray-Darling Basin to support prosperous communities.

Mission

To foster well informed, joint decisions and actions that achieve healthy catchments and the sustainable use of the Basin's natural resources, and to deliver River Murray system water of agreed quality efficiently and equitably to States for domestic, economic and environmental purposes.

Objectives and priority strategies

The Strategic Plan has 3 objectives and 17 strategies to deliver these objectives, 9 of which (as listed below) are priority strategies.

- 1 **Protection and enhancement of the Basin's shared environmental assets and water resources.**
 - 1.1 Coordinate the implementation and ongoing development of the Living Murray Initiative.
 - 1.2 Improve management of, and compliance with, the Cap on water diversions.
 - 1.3 Coordinate the implementation of the Basin Salinity Management Strategy.
 - 1.4 Monitor and report on the health of, and investigate, evaluate and advise on risks to the Basin's shared water and natural resources, to ensure implementation of the ICM Policy Statement.
- 2 **Efficient and equitable delivery of water for productive and sustainable domestic consumption, environmental benefit and economic use.**
 - 2.1 Deliver agreed water shares in the River Murray system to the States, including in extreme conditions.
 - 2.2 Support development of open, barrier-free markets for interstate water trading.
 - 2.3 Sustain and improve the physical asset base to contemporary best practice standards.
- 3 **Delivery of high quality advice to Council, and achievement of its endorsed priorities, through strengthened capacity of the Commission and the Commission Office.**
 - 3.1 Employ contemporary best practice financial and management systems.
 - 3.2 Strengthen corporate, technical and policy capacity of the Commission and the Commission Office, to deliver on its obligations to partners, staff and the general public.

III. The Commission partnership

The Commission, as a partnership of the six Basin governments (including the Australian Government), exists to achieve the best integrated catchment management outcomes for the shared resources of the Basin. Primary responsibility for managing land and water resources lies with individual State and Territory governments. The Commission concentrates on Basin-wide issues that require the joint action of partners to deliver the best outcomes for the Basin's communities, industries and natural resource base – particularly related to its shared water resources.

Chaired by an independent President, the Commission is an unincorporated joint venture, comprising representatives (Commissioners) appointed by partner governments having responsibility for land, water and environment. The Commission supports the Murray-Darling Basin Ministerial Council (the Council) to achieve its purposes under the *Murray-Darling Basin Agreement* 1992 by:

- securing the cooperation of partner jurisdictions;
- delegating, where necessary, work to its committees and working groups, whose appointed members include Commissioners, senior officers, experts appointed by partner governments and representatives from the Council Community Advisory Committee; and
- directing the activities of the Commission Office.

While servicing the Council directly, the Chair and Deputy Chair of the Council's Community Advisory Committee also provide a community perspective to the Commission.

The Commission Office provides secretariat, administrative, technical and river operations, and policy support to Commission and Council.

The primary clients of the Commission Office are the partner governments and their agencies. Commission Office staff work collaboratively with them to facilitate and coordinate development, implementation and review of Council policies and decisions.

Since the signing of the Agreement in 1992, governments have effected significant reforms in the management of natural resources. As a result, the institutional landscape in which the Commission operates has changed substantially. A wide range of organisations now contribute to delivering optimal natural resource outcomes for the Basin.

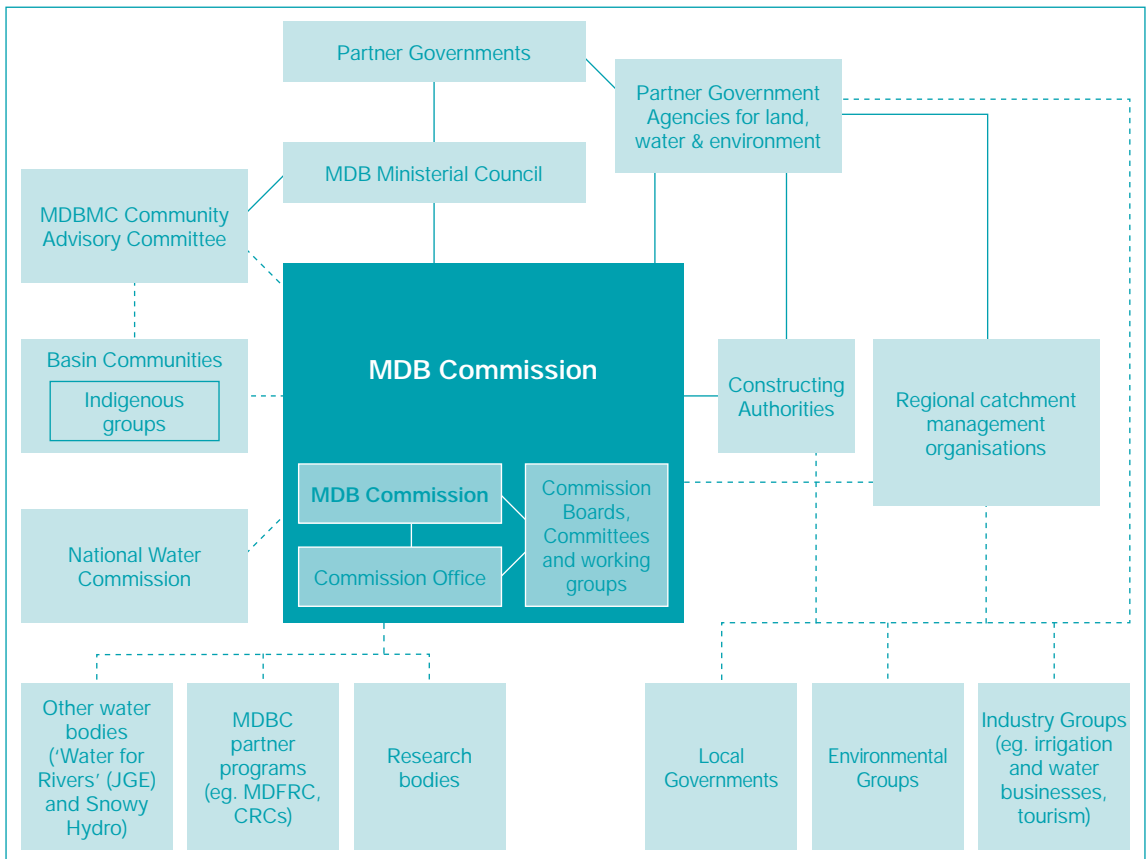
In recent years, jurisdictions have created and strengthened the role of regional catchment management organisations (CMOs – Catchment Management Authorities and equivalents), which have taken on an increasingly important role in managing land and water resources. While the role and responsibilities of CMOs vary between jurisdictions, all have a vital role to play on behalf of jurisdictions in implementing Council and Commission policies and decisions at a local level. The working relationship between the Commission Office and CMOs will vary depending upon the nature of the program being delivered and the particular role of the CMO.

To minimise duplication and ensure coordinated natural resource management in the Basin, the Commission Office, together with the partner government agencies, also works cooperatively with business enterprises such as Snowy Hydro Ltd and 'Water for Rivers' (Joint Government Enterprise Ltd), irrigation and water businesses, industry and environmental bodies, research bodies, local governments and community groups including Indigenous groups.

Council programs and decisions in the Basin will be delivered in accordance with relevant national agreements and policies, particularly the National Water Initiative (NWI). For example, the Commission and its Office will play a key role in implementing expanded interstate water trade under the NWI. The Commission will also be an important source of technical input to the Basin-related program and policy activities of the newly formed National Water Commission.

The relationship between the Commission and the bodies with whom it collaborates is depicted in Figure 1 below.

Figure 1 – MDBC relationships



IV. Context and drivers of change

Context

The Murray-Darling Basin Commission, in addressing natural resource management issues in the Basin, operates within the philosophy and framework of its 'Integrated Catchment Management Policy'. The Policy recognises that the Basin's natural resources are part of a connected system, with interactions between land and water and their associated biophysical processes. Economic, environmental and social factors all have an impact on – and are impacted by – the condition of the Basin's natural resources.

The quality and quantity of the water in the Basin's catchments impact directly on all aspects of life in the Basin. That quality and quantity is essential to cities and towns and to the economic success of the region's industries and communities - not just for irrigated agriculture but also for more recent growth industries such as tourism. Basin residents (including those in urban centres such as Canberra), and many outside the region, obtain their drinking water from the Basin and will require ongoing access to a quality resource.

The sustainability of the Basin's natural resource base is also essential to the social and cultural wellbeing of the Basin's communities. Water occupies a central position in the fabric of many communities – it provides a social and leisure focus and a spiritual dimension.

At the time of preparing this Strategic Plan, the Murray-Darling Basin was experiencing a prolonged period of extreme drought, with inflows to the highly regulated and utilised Murray River system being the lowest on record for the preceding 4 year period. Dramatically reduced water availability and widespread water use restrictions have severely eroded the economic foundation of the Basin and aggravated stresses on the natural resource base.

The stresses created by these extreme weather conditions, together with a deepening understanding of significant emerging threats to the Basin's shared natural resources, have reinforced the need for flexible and innovative natural resource management approaches that can respond to the competing needs of all users, while ensuring ecosystems have sufficient water to thrive.

The Commission's partner governments and communities recognise water and other natural resources as essential to human life and to the economic, environmental, social and cultural values of the Basin. Their response to the challenges of implementing sustainable natural resource management over the last decade has been marked by significant milestones, shown in the table on the inside back cover of this Plan.

Drivers of change

Four broad 'drivers of change' present major challenges for the Basin. They are shaping the state of the Basin and will continue to do so over the next five years.

1. Global developments

The impact of global climate change, which may substantially change climatic behaviour across the Basin, poses long term challenges to Basin resources and their users. In addition, the impact of global market trends on the Basin's export industries can be significant in affecting the prosperity of communities and land and water use decisions.

2. Basin level factors

There is a set of environmental, economic and social factors at a Basin level which have the potential to significantly affect the quality and quantity of water and natural resources. Although work to identify risks to shared resources is an ongoing task, a number of risks are already known:

- significant growth in groundwater use, which may pose a threat to surface water availability for both consumptive and environmental purposes;
- broader land use and management practices, including reforestation, which affect water quality and availability;
- continuing growth of farm dams and floodplain harvesting, which can increase water interception in catchments;
- more efficient irrigation practices, which may reduce return flows to rivers; and
- bushfires, which can potentially impact catchments generally, and the Basin's water specifically.

The magnitude and complexity of these challenges will stretch the capacity of Australia's human resource expertise in natural resource and water management.

3. National Water Initiative

The Commission member governments have committed to the National Water Initiative (NWI) and to delivering the following NWI commitments in the Basin:

- nationally compatible water access entitlements;
- nationally functioning water markets;
- best practice water pricing;
- integrated management of environmental water; and
- improved measuring and monitoring and provision of information regarding the use of water.

The NWI constitutes a new framework. Roles within that framework, and relationships between the National Water Commission and bodies such as the Murray-Darling Basin Commission, will further evolve and crystallise over the next five years. However, this Strategic Plan aims to ensure that relevant Commission activities are aligned with NWI commitments.

4. Member governments' initiatives

The Commission's partner governments are committing increased effort within their own jurisdictions. Governments recognise that simultaneously meeting the demands of wealth production and the environment requires continual attention to the sustainable management of land and water resources. Initiatives such as water resource planning and the National Action Plan for Salinity and Water Quality (NAPSWQ) play an important and complementary role in achieving sustainable management of water and land in the Basin. They also strengthen the capacity of regional catchment management organisations to deliver catchment-wide natural resource outcomes. The Commission will work closely with its member governments to ensure activities are complementary.

In summary, the Commission and Basin communities recognise that in the long term the Basin must achieve sustainability in terms of economic, environmental and social outcomes. Indeed, without long term sustainability on all three of these dimensions, the viability of the Basin is threatened. The challenge for the Commission and partner governments is to determine at what pace they should effect the transition to more sustainable natural resource management practices. In essence, the challenge is 'how quickly should change occur and, given current extreme conditions, when and how should the next changes occur?'



V. Objectives, Strategies and Key Performance Indicators

At the core of this Strategic Plan are three major objectives, with 17 associated strategies (of which 9 are priority strategies) and key performance indicators.

The Strategic Plan is based on decisions of the Ministerial Council and responsibilities under the *Murray-Darling Basin Agreement 1992* and may need to be modified as new Council decisions are made in response to the dynamic and volatile environment.

Collaborating with partner jurisdictions and other relevant stakeholders, the Commission will ensure:

Objective 1

Protection and enhancement of the Basin's shared environmental assets and water resources.

Strategies

- 1.1 **Coordinate the implementation and ongoing development of the Living Murray.**
- 1.2 **Improve management of, and compliance with, the Cap on water diversions.**
- 1.3 **Coordinate the implementation of the Basin Salinity Management Strategy.**
- 1.4 **Monitor and report on the health of, and investigate, evaluate and advise on risks to the Basin's shared water and natural resources, to ensure implementation of the ICM Policy Statement.**
- 1.5 **Develop policy options to respond to demonstrated risks of significance to shared water resources, including integrated use of surface and groundwater.**
- 1.6 **Coordinate the implementation of the Native Fish Strategy.**

Objective 2

Efficient and equitable delivery of water for productive and sustainable domestic consumption, environmental benefit and economic use.

Strategies

- 2.1 Deliver agreed water shares in the River Murray system to the States, including in extreme conditions.
- 2.2 Support development of open, barrier-free markets for interstate water trading.
- 2.3 Sustain and improve the physical asset base to contemporary best practice standards.
- 2.4 Improve environmental and consumptive use outcomes through development of improved water management and delivery tools.
- 2.5 Increase operational and cost efficiency of water delivery.

Objective 3

Delivery of high quality advice to Council, and achievement of its endorsed priorities, through strengthened capacity of the Commission and the Commission Office.

Strategies

- 3.1 Employ contemporary best practice financial and management systems.
- 3.2 Strengthen corporate, technical and policy capacity of the Commission and the Commission Office, to deliver on its obligations to partners, staff and the general public.
- 3.3 Better align the roles and skills of the Commission and jurisdictions.
- 3.4 Develop and maintain necessary Commission communication, and technical and corporate information resources.
- 3.5 Use Council priorities to drive communication, feedback and information delivery activities with stakeholders and communities.
- 3.6 Ensure effective institutional and governance arrangements are in place.



V. Objectives, Strategies and Key Performance Indicators (continued)

Key Performance Indicators

The Commission, supported by its Office, will achieve the following targets:

Objective 1

Protection and enhancement of the Basin's shared environmental assets and water resources.

- (a) Water recovery targets (as contained in the Living Murray Business Plan) achieved totalling an average of up to 500 GL per year by June 2009.
- (b) Delivery of the agreed Environmental Works and Measures Program for each year of the Strategic Plan.
- (c) Baseline condition established, as part of the development and implementation of monitoring and evaluation arrangements for The Living Murray, for the six significant ecological assets by December 2006.
- (d) Delivery of the Living Murray First Step Decision's ecological objectives (including for floodplain and wetland health, birds and fish) at each of the six significant ecological assets from June 2009.
- (e) The Living Murray First Step evaluated on an annual basis and the development of future options considered by June 2007, consistent with the period of review for The Living Murray Business Plan (Clause 159), or earlier as requested by Ministerial Council.

Option 1

- (f) By June 2010, full agreement to, and compliance with, an enhanced Cap¹ in accordance with NWI deadlines and requirements **OR**

Option 2

- (f) Full compliance with the Cap on surface water diversions, and finalisation of other valley caps within the Basin **AND**
- (g) By end 2008, full agreement to, and compliance with, integrated accounting of surface and groundwater, in accordance with NWI deadlines and requirements and considering a range of options to address the impacts of risks to water resources, which may include an enhanced Cap.
- (h) Across the Basin, full compliance each year with End of Valley salinity targets and maintenance of salinity registers in net credit, confirmed through annual audits.
- (i) 71 EC salinity mitigation impact on target to be achieved by 2012 (61 EC by June 2010).
- (j) Demonstrated reduction in costs of salt peaks by 25% by June 2010.
- (k) Annual compliance with the Basin Salinity Target to maintain salinity levels in the River Murray at Morgan in South Australia, below 800 EC for 95% of the time.
- (l) Annual integrated reports on the condition of, and risks to, the Basin's natural resources used in Commission and Council decision making.
- (m) Net improvement in key native fish populations and distribution across the Basin by June 2010.

Objective 2

Efficient and equitable delivery of water for productive and sustainable domestic consumption, environmental benefit and economic use.

- (a) Delivery of State shares of available water (for domestic consumption and economic use) in 100% of instances.
- (b) Demonstrated track record in each year of responding to environmental watering opportunities, consistent with the Living Murray Environmental Watering Plan and the outcomes of the six Significant Ecological Asset Management Plans.
- (c) Full compliance with Cap, confirmed through annual audits.²
- (d) Improved measurement of shared water resources across the Basin, as required by NWI.³
- (e) NWI directions on barrier-free market arrangements for open, interstate water trade across the southern connected Basin achieved, as required by NWI.
- (f) Be within the top one-third of water asset managers in Australia by June 2010.⁴
- (g) For large dams, measurable improvement each year until 100% compliant with Australian National Committee on Large Dams (ANCOLD) Guidelines.

Objective 3

Delivery of high quality advice to Council, and achievement of its endorsed priorities, through strengthened capacity of the Commission and the Commission Office.

- (a) Ministerial Council satisfied with quality and timeliness of advice, that decisions have been implemented effectively and that its Community Advisory Committee has been provided with appropriate information and has been well supported (all measured annually).
- (b) Commissioner satisfaction with Commission Office's secretariat services, budget development, and management and performance reporting, to reach 9/10 by 2007.
- (c) Revised governance and committee structure in place by December 2005.
- (d) Staff satisfaction survey improvement year on year.
- (e) Zero long term injury frequency rate in each year.

¹ Including integrated accounting of surface and groundwater, and considering the impacts of risks to water resources.

² Note that this annual reporting requirement varies from other six-monthly progress reporting to Council set out in Section VI of this Plan

³ Note that knowledge of how best to measure the shared water resource under the NWI is not yet sufficiently developed. As measures are refined, the Commission will report against them

⁴ Note that this KPI will be measured twice during the Strategic Plan period, unlike other six-monthly progress reporting to Council set out in Section VI



VI. Monitoring and reporting Strategic Plan performance

The Murray-Darling Basin Commission will monitor and report on performance against Strategic Plan objectives, strategies and key performance indicators (KPIs), in harmony with existing national and jurisdictional arrangements. Reports to Ministerial Council will also evaluate the Commission's implementation of Council decisions and fulfilment of its responsibilities under the *Murray-Darling Basin Agreement 1992*.

Progress in achieving Strategic Plan objectives, strategies and KPIs will be reported twice yearly to Ministerial Council and in the Commission's Annual Report.

More detailed financial and program performance reports will be delivered quarterly to Commission and will consist of:

- advice on program progress and performance against budgets and Strategic Plan priorities, provided by Commission committees dealing with natural resource management, water management and delivery, and corporate management; and

- reviews of progress against budget. These reviews will be undertaken by the Commission Office in conjunction with the Commission Strategy Committee (the committee responsible for finance).

The Strategic Plan's objectives, strategies and priorities will also be reviewed annually as part of the Commission's Business Planning process. Tasks in the Business Plan will be modified, or new tasks generated, as Council and Commission priorities are revised in response to changing circumstances.

The Commission and member governments: significant milestones in the Basin 1992-2005

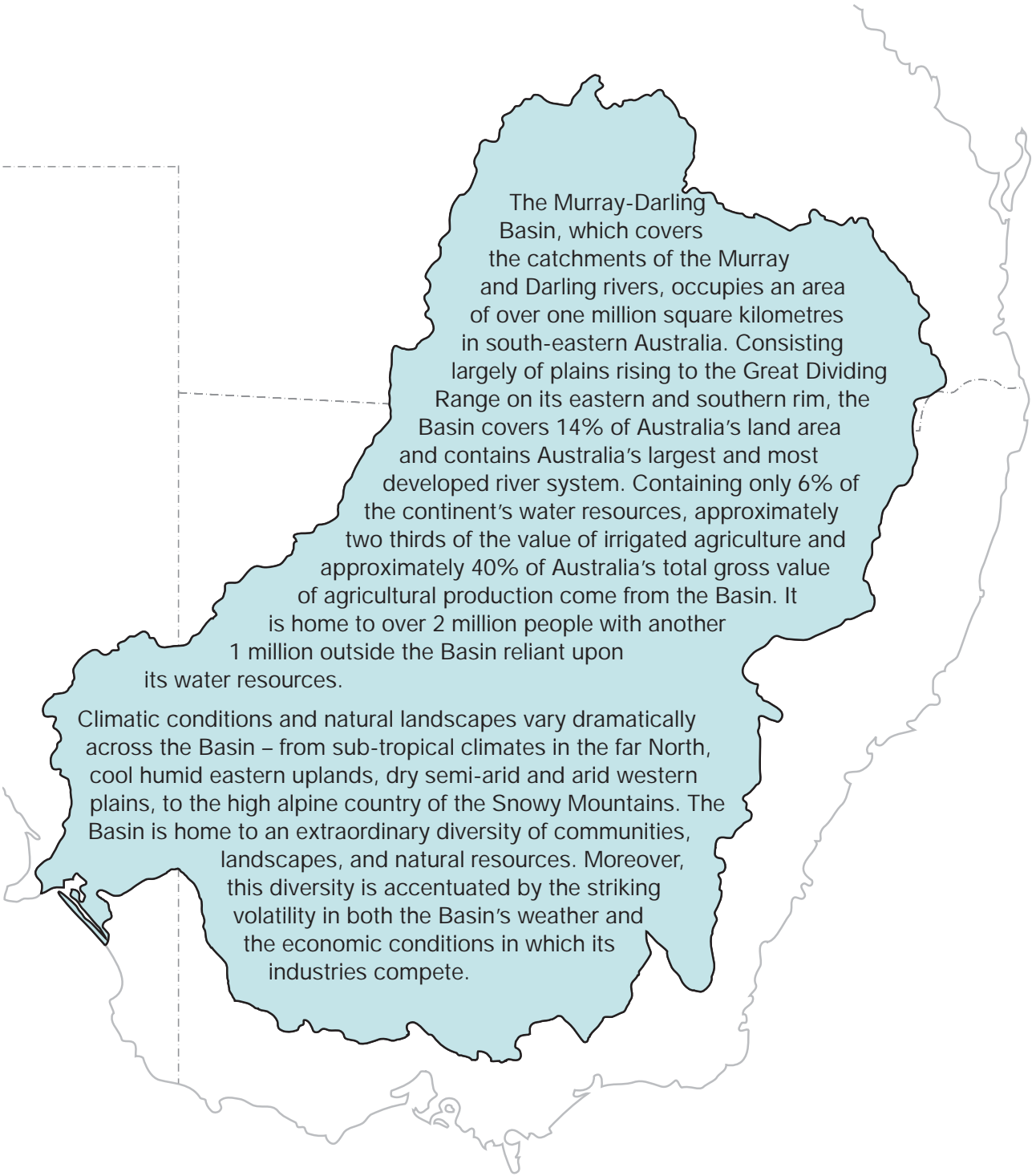
Year	Significant milestones
1992	MDB Agreement signed (original Agreement signed 1914)
1993	
1994	COAG Water Reform Framework
1995	Ministerial Council decided to cap diversions in the Basin
1996	Emergency response – Hume Dam structural changes initiating major remedial works
1997	NSW introduced Independent Water Pricing
1998	MDB ‘Cap’ on water diversions set for NSW, SA, Vic ‘River Murray Water’ established
1999	NSW White Paper on Water Reform released
2000	Moratorium on further water diversions in Qld while ‘Cap’ developed QLD Water Resource Act 2000
2001	MDBMC* Environmental Works & Measures Program MDBMC Integrated Catchment Management Policy Statement MDBMC Basin Salinity Management Strategy
2002	QLD regional NRM bodies established
2003	MDBMC Native Fish Strategy COAG Water Reform Agenda refreshed and \$500m announced to address water overallocation MDBMC Living Murray First Step decision to balance water needs of all users NSW - NRM reforms announced 15 October 2003 including introduction of the Natural Resources Commission Act 2003 and Catchment Management Authorities Act 2003 QLD – Water Resource Plan in place for the Border Rivers, Moonie & Warrego, Paroo, Bulloo & Nebine Catchments SA – River Murray Act 2003
2004	Victorian White Paper released 23 June 2004 National Water Initiative and ‘MDB’ Intergovernmental Agreements signed Living Murray Business Plan MDBMC Sustainable Rivers Audit NSW – Catchment Management Authorities constituted as statutory bodies Jan 2004 NSW – introduced Water Sharing Plans in July 2004 QLD – Water Resource Plan in place for Condamine & Balonne Catchments ACT – ‘Think Water, Act Water’ strategy released SA – Natural Resources Management Act 2004 NSW Water Act implementation (part of NWI reforms)
2005	Living Murray Business Plan and water recovery proposals activated

*MDBMC - Murray-Darling Basin Ministerial Council



Values

Courage	We will take a visionary approach, provide leadership and be prepared to make difficult decisions.
Inclusiveness	We will build relationships based on trust and sharing, considering the needs of future generations, and working together in a true partnership; we will engage all partners, including Indigenous communities, and ensure that partners have a capacity to be fully engaged.
Commitment	We will act with passion and decisiveness, taking the long-term view and aiming for stability in decision-making; we will take a Basin perspective and a non-partisan approach to Basin management.
Respect & honesty	We will respect different views, respect each other and acknowledge the reality of each other's situation, we will act with integrity, openness and honesty, be fair and credible, and share knowledge and information; we will use resources equitably and respect the environment.
Flexibility	We will accept reform where it is needed, be willing to change and continuously improve our actions through a learning approach.
Practicability	We will choose practicable long-term outcomes and select viable solutions to achieve these outcomes.
Mutual obligation	We will share responsibility and accountability, and act responsibly, with fairness and justice; we will support each other through necessary change.



The Murray-Darling Basin, which covers the catchments of the Murray and Darling rivers, occupies an area of over one million square kilometres in south-eastern Australia. Consisting largely of plains rising to the Great Dividing Range on its eastern and southern rim, the Basin covers 14% of Australia's land area and contains Australia's largest and most developed river system. Containing only 6% of the continent's water resources, approximately two thirds of the value of irrigated agriculture and approximately 40% of Australia's total gross value of agricultural production come from the Basin. It is home to over 2 million people with another 1 million outside the Basin reliant upon its water resources.

Climatic conditions and natural landscapes vary dramatically across the Basin – from sub-tropical climates in the far North, cool humid eastern uplands, dry semi-arid and arid western plains, to the high alpine country of the Snowy Mountains. The Basin is home to an extraordinary diversity of communities, landscapes, and natural resources. Moreover, this diversity is accentuated by the striking volatility in both the Basin's weather and the economic conditions in which its industries compete.

