



Submission to
Review of the Murray-Darling Basin
Joint governance arrangements

November 2018

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Executive summary

The Murray Darling Association welcomes the opportunity to make submission to the review of the of the Murray-Darling Basin joint governance arrangements commissioned by the Murray Darling Basin Authority and the Joint Basin Governments.

The MDA is committed to the full and timely implementation of the Basin Plan.

The importance of Basin governments working together, with adequate and meaningful community consultation is essential to achieve this objective.

One of the most significant and fundamental risks to the effective implementation of the Basin Plan is the omission of local government from any formal role in the institutional and governance arrangements of the Plan.

In his book *Sharing the Water: One hundred years of River Murray politics (2016)* author Chris Guest traces the tenuous fortunes of the environment and of communities reliant on a healthy working Basin under various hybrid political and governance arrangements for the management of this interjurisdictional resource.

The very real risk of Basin states walking away from the Plan in 2018, and continuing community dissent with the Commonwealth indicates that in terms of risk, little has changed.

Without substantive change to those governance arrangements, there is a very real risk that the Australia will be having the same conversation 100 years from now.

It is in the interest of every level of government and every community in the Murray-Darling Basin for local government to participate in informing the decisions and policies of state and federal governments on issues that impact our rural and regional economies, towns and communities.

A formal role for local government, as a collective, in the Basin Plan decision making process and confirmed in its institutional and governance arrangements and agreed SIA framework and guidelines can only provide certainty to governments and communities in the long-term management of Basin water resources – to the extent of, and well beyond the implementation of the Basin Plan.

The collaboration of all three levels of government is fundamental to ensuring the trust, unity, equity and growth required to implement this challenging but essential legislation.

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1. Introduction

The Murray Darling Association is the peak body for local government in the Murray-Darling Basin.

Established in 1944, our purpose is to provide effective representation of local government and communities at state and federal level in the development of policy and the management of Murray-Darling Basin resources.

There are 172 councils that sit within the Basin and whose communities rely upon water from within the catchment. The management of water is a matter that is of significant interest to local government.

The MDA is the only interjurisdictional association of local government, covering all 4 Basin states offering membership to councils providing advocacy, expertise and representation on Basin related issues

The MDA is built on strong foundations of good governance and high standards of accountability and integrity. Performance of the MDA is well regarded and compares favourably with our LGA peers across the sector, and with other levels of government.

The MDA is committed to the full and timely implementation of the Murray-Darling Basin Plan.

We work with and for member councils engaging with National and state based local government associations, Regional Organisations of Councils, Joint Organisations and other local government affiliations.

Operation of the MDA is parliamentary in nature, having the executive power vested in a board composed of members of the regions, individually and collectively responsible to the membership, and each of whom are democratically elected.

The Murray Darling Association has recently commenced discussions with the Australian Local Government Association to apply for membership to that organisation.

2. Murray–Darling Basin joint governance arrangements – all Basin governments

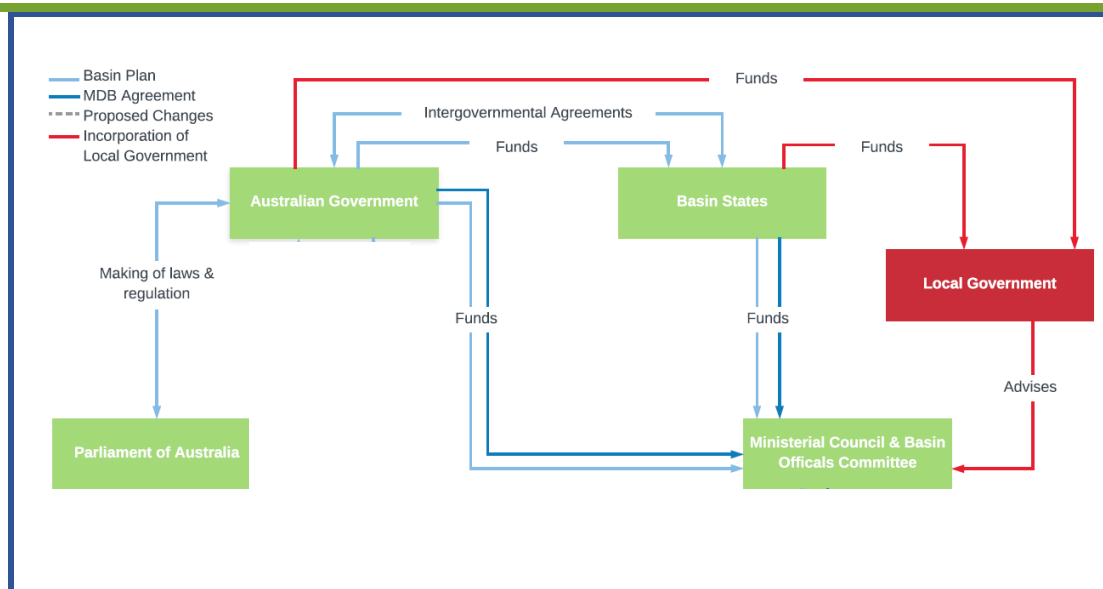
The Murray Darling Association recommends the following considerations as to joint governance arrangements in the management of inter-jurisdictional water resources in the Murray-Darling Basin.

1. The implementation of the Basin Plan is a joint responsibility of all Basin governments.
2. Local government has a direct relationship with communities and governments across the Basin.
3. Changing water availability impacts different communities in different ways.
4. Different programs for water recovery impact different industries and sectors within communities in different ways.

5. Programs designed to achieve sustainable levels of diversion of natural flows must be designed to consider community, locality, and region-specific factors and determinants in assessing socio-economic impact.
6. Program process and criteria must be achieved by all Basin Governments.
7. Local government has the local knowledge required to understand, balance, plan for, and serve the various and often competing needs and interests that exist within and across our local communities, and identify non-partisan, non-state-based areas of common interest.
8. Local government has an existing direct executive relationship with the states.
9. Councils and regional and state LGA's have strong regional and state-based networks and relationships.
10. Local government as a sector has strong relationships with the superior authority ie: ALGA and MDA with Commonwealth governments.
11. Local government is largely non-partisan, particularly in the rural and regional areas.
12. Local government has a commonality of perspective that bulds common ground at community level regardless of jurisdiction.
13. Local government operates according to legislated bureaucratic standards of discipline and governance.
14. Local government has the skill and institutional capacity to inform policy development, offering a valuable interface and an effective resource for state and federal policy makers.
15. The omission of local government from a role in the institutional and governance arrangements of the Plan is a fundamental risk to the effective implementation of the Basin Plan.
16. Local government has detailed knowledge and experience in identifying structural adjustment requirements and regional economic development opportunities.
17. Local government **as a sector** should have an advisory role in in the broader Basin Plan implementation.
18. Local government **at council and regional level** should be a referral agency for approval of efficiency projects.
19. Local government must be funded to deliver on purpose as an advisory participant, and as a referral agency.
20. The success and progress of the Basin Plan, including recovery of water for the environment and the establishment of sustainable diversion limits depends on the support and understanding of local Basin communities.
21. Local government has existing planning, referral, assessment and approval responsibilities under state-based legislation. This capacity already exists and properly resourced can be extended to include efficiency project approvals.
22. The Murray Darling Association, in collaboration with the CSIRO and the University of Canberra have prepared a [project proposal](#), including a cost benefit analysis for the development of a socio-economic impact assessment (SIA) framework.
23. The benefits of an SIA framework and consultation guidelines for application in the context of assessing MDBWIP is exponential. The cost of not applying consistent and agreed consultation and assessment standards places the implementation of the Basin Plan at risk.

Recommendation 1

Local government should be recognised and included in the definition of and reference to Basin Governments consistent with the institutional and governance arrangements as per the diagram below.



Recommendation 2

Local government should be empowered and funded to provide referral approval on projects for MDBP supply and efficiency measures for alignment with local and regional economic development and service delivery plans and strategies.

Recommendation 3

That responsible Basin Governments consult with the Australian Local Government Association and the Murray Darling Association to establish and authorise the role of local government in the implementation of the Murray Darling Basin Plan, consistent with the ANAO and OECD accepted principles for effective institutional arrangements and good governance.¹

Recommendation 4

That Basin governments develop a [socio-economic impact assessment \(SIA\) framework and guidelines](#), applicable in the context of the Murray-Darling Basin Plan.

¹ See Box 1

Box 1. Principles for effective institutional arrangements and good governance

Clear roles and responsibilities

Role clarity supports clear expectations and accountabilities among collaborating institutions, by ensuring that each understands its own role as well as the roles and responsibilities of its partner institutions

Effective processes for collaboration

Coordination among government institutions helps streamline decision making and avoids overlaps and duplication.

Capability

All institutions should have appropriate resources and capabilities to comply with legislative obligations, discharge their functions, and achieve policy objectives.

Effective engagement of stakeholders

Constructively engaging stakeholders in government decision making supports the identification of new opportunities or potential problems (and possible solutions). Done well, it is a key mechanism to manage risks, both through better program design and smoother implementation. Engagement also facilitates openness and transparency, which promotes accountability.

Meaningful stakeholder engagement enables governments to prioritise their activities to take into account stakeholder and community views; offers valuable feedback on how their activities are viewed by the community; and builds public confidence in decision making. It is characterised by:

- fair consideration of the diverse interests and expectations of all affected stakeholders
- consultation methods that are fit-for-purpose and that offer stakeholders genuine opportunities to influence decisions
- a culture of engagement, where stakeholders' views are valued.

Meaningful engagement with stakeholders involves identifying key stakeholders that may be materially affected and those that may be interested in the outcomes of a decision or program of work. Stakeholders should be involved in the design of the processes for engagement.

Sources: ANAO (2014, 2018b); OECD (2014); PC (2016, 2017a) in Productivity Commission 2018, Murray-Darling Basin Plan: Five-year assessment, Draft report, Canberra p291