

# Independent Assurance Committee on Compliance

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## Report to the Authority from the fourth meeting of the Independent Assurance Committee – 20 August 2018

### 1. This Report

The Independent Assurance Committee (IAC) met for the fourth time on Monday, 20 August 2018. Authority member, George Warne, represented the Authority at the meeting. Murray–Darling Basin Authority (MDBA) Chief Executive Phillip Glyde, Russell James and Brent Williams along with a number of MDBA staff participated as well. IAC member, Martin Dolan, was an apology.

### 2. Office of Compliance Update – program, workplan, and audit

The Committee noted the considerable progress made by the MDBA in the design and formulation of the compliance program and workplan. The program logic is well-developed and provides a sound basis for analysis and organisation.

It is apparent that drought conditions affecting dryland agriculture in the Basin and the public reaction to these circumstances may influence the detail and emphasis of the workplan.

The update on the audit of water trade pricing led to some conjecture about the extent of the MDBA's role in relation to trade. Transparency and public availability of information concerning trade are important to markets functioning well, but it is unclear what the boundaries of interest are for the MDBA. This matter will be considered further at the next IAC meeting.

### 3. State Benchmarking Tool

The IAC acknowledged the effort to develop and refine a tool to provide a useful, ongoing compliance snapshot. It supported the logic of including the public interest focus in addition to its role in improving compliance delivery across all jurisdictions. The IAC requested the MDBA refine the three areas of metrics including – to better link the water compliance community of practice to the Culture of Compliance; to include inspection and maintenance as part of Measurement and Monitoring; and to broaden prosecution measures to include outcomes. The review of the tool should be included as part of the Office's scheduled work program so that the tool continues to evolve over time.

## 4. Basin Compliance Compact reporting

The IAC noted a paper on the planning for the development of the first progress report on implementation of the Murray–Darling Basin Compliance Compact (Compact).

It was agreed that this first report would need to concentrate on progress against the main actions in the Compact. The MDBA will review State reporting, and the IAC is being asked to review and provide assurance of the MDBA's performance against its obligations. A range of issues including scope, lines of evidence and data collection templates were discussed. The IAC undertook to develop a list of questions that it will pose to the MDBA to inform the Committee's assessment of performance.

## 5. Water Resource Planning Risk Mitigation

At the last meeting, the IAC raised concerns about the MDBA's preparedness for managing the risks associated with WRP assessment and accreditation. The IAC acknowledged the additional work done by the MDBA in preparing a risk mitigation strategy. It considered the strategy to be comprehensive and thorough.

The IAC discussed the importance of actively communicating the MDBA's position on, and approach to, assessment and accreditation. Its strong advice was to set the agenda rather than respond to events as they unfold. The IAC appreciated the complexity and uncertainty with WRP finalisation, especially in light of the upcoming State and Commonwealth elections.

## 6. Measurement and Metering Update

The IAC noted the update provided on measurement and metering. It was recognised that this is an important area of public interest, where the community has clear expectations of ongoing improvement. Some of the important developments reported on included:

- Efforts to review the standards for rural water meters to ensure that accurate, robust and cost-effective metering options are available.
- Progress on improving the accuracy of models used for managing water and estimating usage. The IAC requested the MDBA consider opportunities for developing guidance on best practice for hydrodynamic modelling.
- Practice notes will shortly be issued to improve modelling of some complex elements of stream water balances that will improve estimation of flood plain harvesting.
- Remote sensing has been used to track water movements during an environmental water event, and the MDBA is now working to develop its remote sensing capabilities so it can be used as a routine compliance tool.

The IAC encouraged the Authority to consider how to best communicate these developments to the wider community.

## 7. Meeting with Jody Swirepik, Commonwealth Environmental Water Holder

The IAC met with the newly appointed Commonwealth Environmental Water Holder (CEWH) to discuss the MDBA's approach to compliance and assurance as it relates to delivery of environmental water. The IAC noted the commitment to improved relationships between the main players in Murray–Darling Basin governance, an essential precursor to the effective implementation of the Basin Plan. The CEWH is not just another water user but has a unique role in improving the environment of the river system and, as such, needs to be deeply engaged in many aspects of water resource planning and management.

## 8. Agenda for November 2018 meeting of the IAC

- Compact review and assurance
- Water Resource Plan Risk Mitigation
- Next round of audits
- Breadth of MDBA's role in water trade
- Elements of Office's work plan and program for review

## 9. Communication of the work of the IAC

This report to the Authority will be available on the MDBA website and consideration will be given by the MDBA as to whether a press release on the IAC's deliberations is warranted.

Allan Holmes

On behalf of the

Independent Assurance Committee – 20 August 2018