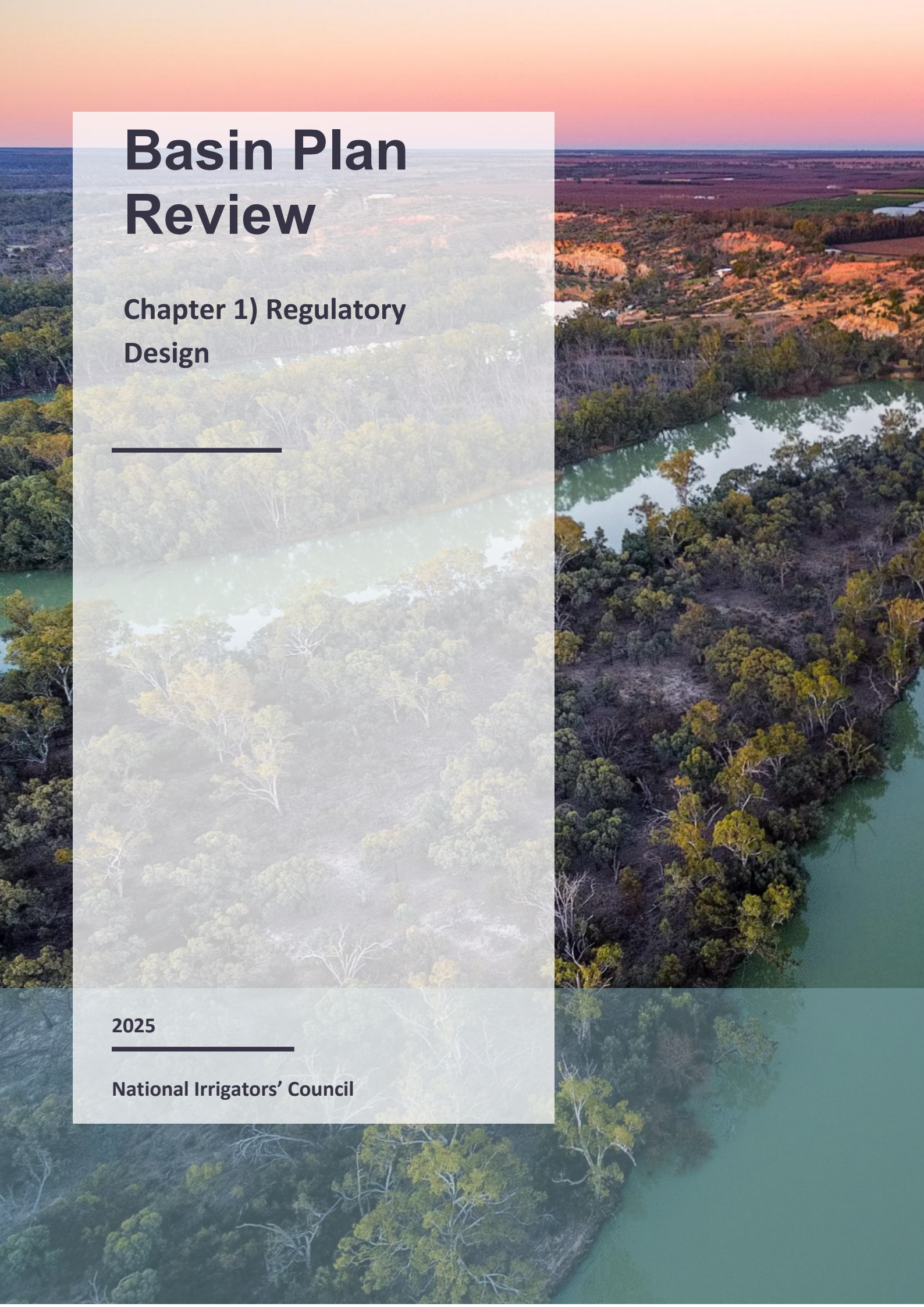


Basin Plan Review

Chapter 1) Regulatory Design

2025

National Irrigators' Council

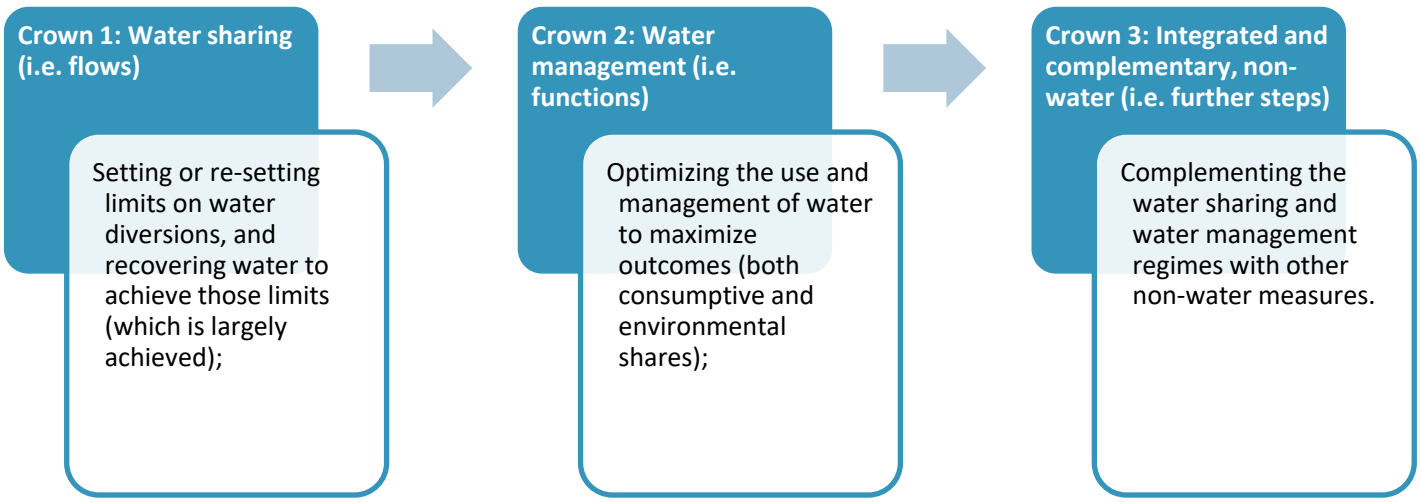
Chapter Overview

Key findings

- The Basin Plan is primarily about water-sharing, to address the key issue of over-allocation, following the Millenium Drought.
- Expectations of the Plan have grown over time, and the outcomes sought through rebalancing water sharing arrangements, extend beyond just 'overallocation' on its own, to a broader suite of environmental and other objectives.
- The Basin Plan has achieved what it set out to do – to set, and reduce diversions to, Sustainable Diversion Limits. However, a lack of clarity about its purpose and measures of success, and underlying policy inflexibility, means that this is often not recognised.
- Stakeholder and community values have shifted towards needing broader social, economic and environmental outcomes from a more integrated land and water management system, than currently designed.

The data

A new framework - The Triple Crown of Water Reform Framework[1] - is a multi-stage Framework, which recognises that the broader outcomes desired to be achieved by addressing overallocation in a river system, extend beyond rebalancing water quantities itself, to ecological and other outcomes and values. This extension requires not only sustainable



[1] As originally published in C Freak & Z Lowien, 'The hydro-illogical cycle: breaking the crisis mindset of water policy with the Triple Crown of Water Reform Framework' (2025) *Farm Policy Journal.*

water shares, but the optimal use and management of those shares, and the furthering of outcomes to include direct targeted initiatives.

What it means for the next Basin Plan

The Triple Crown of Water Reform Framework provides a valuable tool to structure the Basin Plan Review, and future reform in the MDB.

The Basin Plan Review, and any subsequent versions of the Plan, should see progression to Crowns 2 and 3 as the next chapter of reform, celebrating the successes of Crown 1.

Chapter 1: Regulatory Design

Overview

The MDBA's Early Insights paper acknowledged that managing water within the Basin is complex and that change would be needed to simplify and improve the Basin Plan, in particular to better support Basin management outcomes. The paper highlighted four areas of interest being:

- Water resource plan (WRP) development and accreditation process;
- The environmental watering management framework;
- Water quality management;
- Monitor, evaluation and reporting of processes.

NIC agrees that regulatory change is needed (to simplify and build on the Plan) and we offer the following, as an approach to better construct the Basin Plan (and shape its review), respecting the various objectives and multiple levers which are required.

In our view, one of the big shortcomings of the Basin Plan is that the objectives are too vague, which has led to a variety of expectations of the Plan developing over time. This will make both its review and evaluation challenging.

Challenges for the Review & Evaluation: What does success look like and how to measure it

Finding 1a) The Basin Plan has achieved what it set out to do – to set, and reduce diversions to, sustainable diversion limits. However, a lack of clarity about its purpose and measures of success, and underlying policy inflexibility, means that this is often not recognised.

Water management, particularly in the Basin across multiple jurisdictions and spanning from unregulated ephemeral systems in the north to highly regulated, more stable rivers in the south, is complex. Water in fact is only one element and many external factors ultimately

determine the broader outcomes in the Basin[2]. However, many external or non-water related issues (some of which are out of scope) often led to the quick assumption by some, that the Plan has failed and that the Plan must be 'fixed', with the response alluding to more water for the environment being the solution.

As outlined in the following Chapter, SDLs are now in place and complied with, which has resulted in a significant reduction in water for agriculture, and brought environmental outcomes. Nonetheless, the Basin continues to experience environmental issues as well as challenges with water quality and water supply for critical human needs (notably this occurs within and outside the Basin). There is also a range on views on the Plans performance. A range of peak bodies were asked as part of the Basin Plan Evaluation regarding the success or otherwise of the Plan, with the MDBA stating "there was no consensus on what had worked well in the Basin"[3].

A key concern for NIC is that the Basin Plan can be reviewed against objectives and targets it was never intended to achieve. If reviewed on this basis, it will of course fall short, and will not provide the important information to recognise the progress made by the Plan, nor provide accurate direction on next steps. This concern has come to fruition in recent journal articles[4] which reviewed the Plan by creating 27 indicators, many of which are out of scope of the Plan. Note: an analysis of this article has been published by NIC.[5] It will be critical that the review looks at how the Plan (and any new versions) can be more flexible, to fit within the broader water reform journey (stemming from the 1994 COAG meeting, and 2004 National Water Initiative (NWI) for example), and systems of water management - i.e. taking a systems-approach and temporal-approach. This will ensure the role and primary function of the Plan is acknowledged (as within immediate scope of the Plan), and other expectations or emerging contemporary issues can be understood as next steps (without overshadowing progress of this Plan).

In our view, the core of this Plan was to address overallocation – by establishing sustainable limits on water diversions, and Governments decided to undertake water recovery measures as the means to get there. However, this key finding is not often recognised nor is it now considered, its future purpose.

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[2] Murray Darling Basin Plan mark II. What should stakeholders plan for?
[3] What we've hear: peak groups' perspectives to support the 2025 Basin Plan Evaluation – December 2024
[4] Murky waters running clearer? Monitoring, reporting and evaluation of the state of the Murray-Darling Basin after more than three decades of policy reform
[5] C Freak & Z Lowien, 'The hydro-illogical cycle: breaking the crisis mindset of water policy with the Triple Crown of Water Reform Framework' (2025) *Farm Policy Journal.*

NIC contends that there is a foundational flaw in the construct of the Plan, which is open to interpretation on how success is measured. Additionally, the Plan's current construct with the exception of SDLAM and the Northern Toolkit, is inflexible to consider broader mechanisms which are required to achieve objectives, beyond the limiting or recovery of water.

However, it has become apparent that throughout implementation there has been a notable changing of the value and desire for the Plan to achieve broader social, economic and environmental outcomes from a more integrated land and water management system (as outlined above). The community is wanting a more comprehensive response than just rebalancing water shares, and that in the absence of a clear and concise success statement of assumed or intended outcomes, stakeholders are not clear of what success is at the local, regional or Basin-scale. This exposes the Basin Plan to interpretation, as experienced throughout its implementation. Indeed, to achieve the outcomes that have been associated with (or assumed to occur with) such a rebalancing exercise, will require a different vision than rebalancing and different steps.

Finding 1b) Stakeholder and community values have shifted towards needing broader social, economic and environmental outcomes from a more integrated land and water management system, than currently designed.

A new way of looking at water reform in the MDB

NIC recommends that the MDBA adopt the Triple Crown of Water Reform Framework (see below), to guide both the Review, and future water reform in the Basin.

Further details of this Framework are available in the full article[6], but key points are provided here for reference.

[6] As originally published in C Freak & Z Lowien, 'The hydro-illogical cycle: breaking the crisis mindset of water policy with the Triple Crown of Water Reform Framework' (2025) *Farm Policy Journal.*

Triple Crown of Water Reform Framework: Overview

The Triple Crown of Water Reform Framework[7] (note: Triple Crown is a sporting term for the achievement of all three major events in a series) is a multi-stage Framework, which recognises the broader outcomes desired to be achieved by addressing overallocation in a river system, extend beyond rebalancing water quantities itself, to ecological and other outcomes and values. This extension requires not only sustainable water shares, but the optimal use and management of those shares, and the furthering of outcomes to include direct targeted initiatives.

Specifically, the Triple Crown of Water Reform Framework is based on three-parts or 'crowns':

1. **Crown 1: Water sharing (i.e. flows)** – resetting limits on water diversions, and recovering water to achieve those limits (which is largely achieved);
2. **Crown 2: Water management (i.e. functions)** – optimizing the use and management of water to maximize outcomes (both consumptive and environmental shares);
3. **Crown 3: Integrated and complementary, non- water (i.e. further steps)** – complementing the water sharing and water management regimes with other non-water measures.

These are distinct, but related, components of a comprehensive or systematic approach to water reform. The Framework is copied below as Table 1.

While shown in a linear progression for theoretical simplicity, the application of the Framework in practice does not necessarily have to be linear, nor rigid nor static. Progress towards each crown can happen consecutively, or in various orders, depending on the circumstances of the river system, such as the priorities for reform.

[7] As originally published in C Freak & Z Lowien, 'The hydro-illogical cycle: breaking the crisis mindset of water policy with the Triple Crown of Water Reform Framework' (2025) *Farm Policy Journal.*

Table 1 Triple Crown of Water Reform Framework

CROWN / STAGE NAME	FORM	RELATIONSHIP	OUTCOME	DESCRIPTION / KEY COMPONENTS	SIMPLIFIED DESCRIPTION	MECHANISMS (EXAMPLES)
Flows 	Water-sharing	'inter' – allocating shares *between* users	Sustainable and equitable water sharing framework.	Identifying water share problem (i.e. over-allocation); establishing water shares; programs to rebalance to achieve desired shares.	Put simply, this step is establishing the size of the buckets of water for each user.	E.g. Sustainable Diversion Limits (setting and enforcing compliance with limits), water recovery, such as direct purchases of water entitlements.
Functions 	Water-management	'intra'-management *within* each share	Sustainable and equitable water sharing framework, with each share managed for optimised outcomes.	Optimising the use and management of all water shares, both above and below the sustainable level of water use, to achieve maximum outcomes from available water, by all water users and the system overall.	Put simply, this step is managing the water *within* each bucket or share of water available for each user.	E.g. plans of management, specific strategies and projects (such as supply and constraints management projects) to optimise outcomes with available water, partnerships for strategic or efficient environmental water delivery, water markets to promote efficient and effective water use.
Further 	Integrated or complemented water resource management	'extra' - *beyond* water shares or water management.	Sustainable and equitable water sharing framework, with each share managed for optimised outcomes, and enhanced / supported with integrated and complemented management initiatives.	Complementing the above balanced and optimally managed water shares with other supportive programs and measures (see mechanisms).	Put simply, this step is adding supportive measures outside of the bucket of water itself.	E.g. fish passageways, invasive species control, riparian land management, fish screens, cold water pollution management.

Application

This Framework is applied to the Basin Plan in the below Figure. The Flows crown is shown in light-grey, Functions crown in mid-grey, and Further crown in dark-grey. The key components of the Basin Plan are shown in blue boxes, mapped to the various crowns (in some instances, sitting across two crowns, such as where a 'function' but tied to a volumetric equivalence).
What can be observed from the below Figure (Figure 2), is most of the current Basin Plan mechanisms primarily sit within the 'Flows' crown, with some in 'Functions'. There are limited mechanisms or outputs that sit within the 'Further' crown, only the complementary measures included in the Northern Basin Toolkit. Of note, the components of the Plan which remain to be implemented (to date) are largely the 'Functions' and 'Further' components, such as SDLAM supply and constraints projects (not the 'Flows' stage, which is significantly progress, and all but complete).

In Figure 3, this is then extended to include green boxes showing the newer sorts of measures that are now being increasingly demanded to meet the broader outcomes, including shifting community values and expectations from water management.

It can be observed that most of the newly demanded components for future reform predominantly sit within the framework's Functions-crown (cultural flows, incorporating Indigenous science and knowledge into water management and decision-making, and partnerships for more effective environmental water delivery) and Further-crown (such as complementary measures, riparian land management and Indigenous custodian/ranger programs). Note: there are linkages of these back to the Flows-stage too as discussed below in additional consideration.

For further information, please refer to the published article.

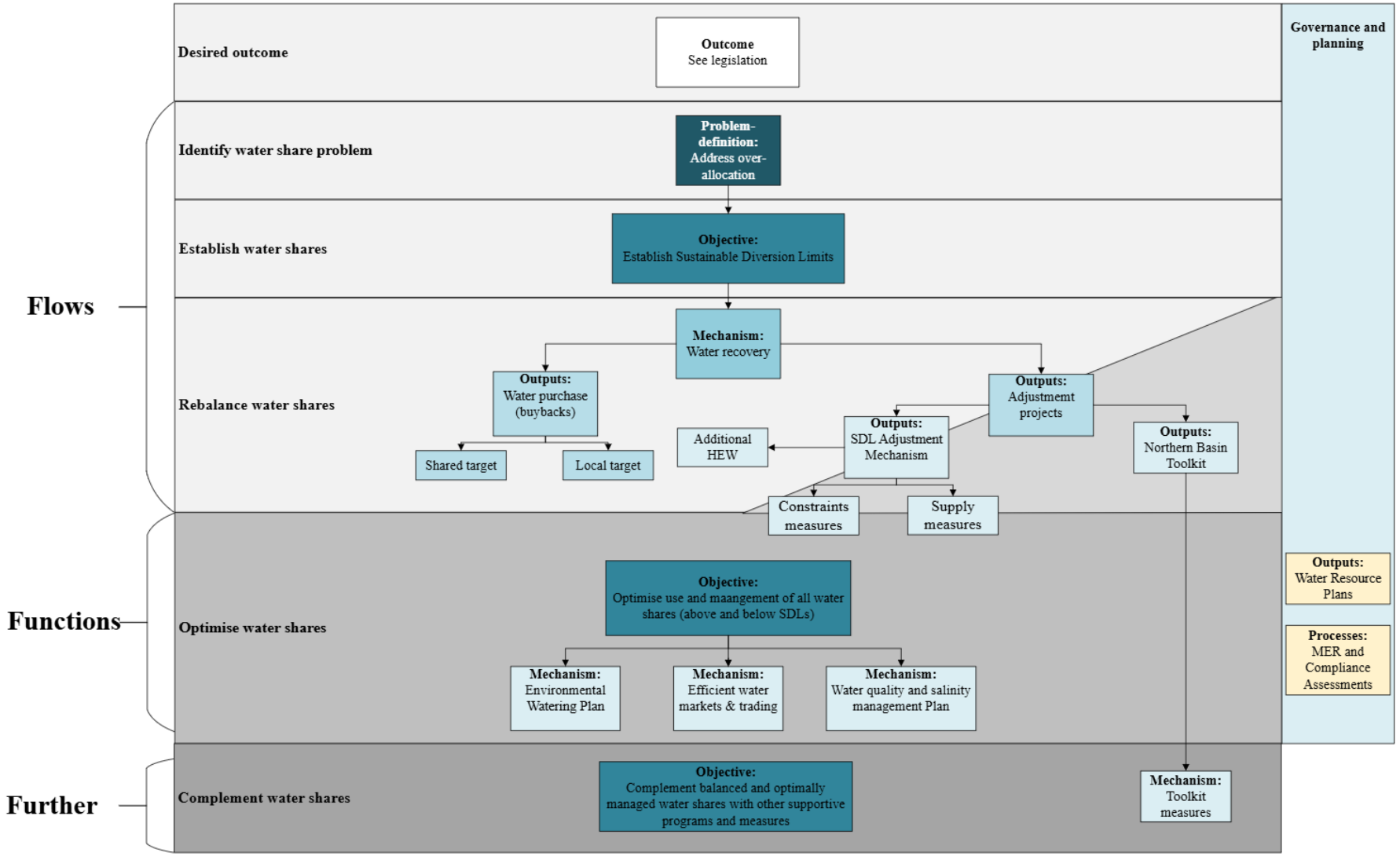

Figure 2 Triple Crown of Water Reform Framework applied to current Murray-Darling Basin Plan

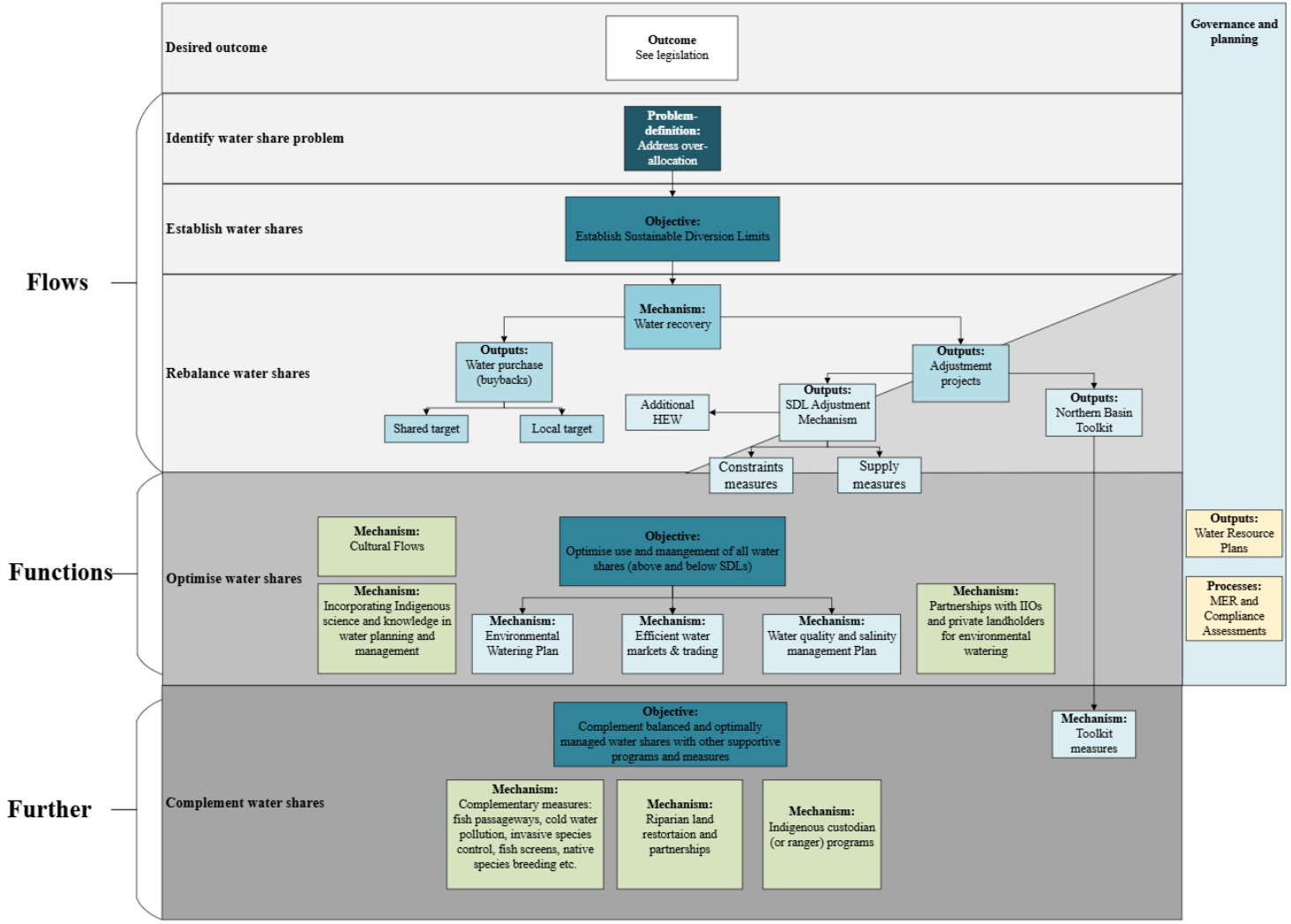

Figure 3 Triple Crown of Water Reform Framework applied to Murray-Darling Basin Plan, with proposed mechanisms (green)

Benefits for framework

The published Paper shows a number of implications and benefits of taking such an approach, as outlined in the below excerpt.

The value of this Framework for reviewing a complex and multifaceted Plan, with multiple objectives, is thus that it:

- Recognises the broader objectives sought, requiring targeted mechanisms to address, and enables these to be adapted overtime in a staged-approach;
- Shows the relationship between water-sharing, water-management, and integrated or complemented water resource management initiatives (as distinct, but related, components or Crowns);
- Shows water reform as a progression or series, meaning key successes can be recognised, whilst remaining work is acknowledged (without overshadowing progress in other components – i.e. not a failure, but a next step in its evolution or maturation);
- Pinpoints where gaps exist in current policy settings and reform agendas;
- Enables the further development or maturation of water policy, in response to contemporary problem-definitions;
- Provides a structured and comprehensive framework to consider water reform systemically or wholistically, rather than a reactive or piecemeal approach on singular focal-issues (i.e. the need for all three Crowns in the series);
- Assists in reviews and evaluations of the Plan, as it clarifies and articulates the relationship between objectives, mechanisms and outputs - i.e. what is a 'means 'and what is an 'end';
- Manages expectations about the current scope of the Plan (including its limitations), integral to informing accurate evaluation of the Plans successes, and informing future design against its limitations.
- Enables clearer opportunities for co-design and collaboration/participation[8], particularly for on-ground and local projects, as it shows the overarching framework for water-sharing, to which participatory projects can then operate within. In fact, not only does this framework show opportunities for more participatory approaches, but it also demonstrates the fundamental necessity of such partnerships. For example, many of the measures in the Further-stage (such as riparian land management, wetland management, and partnerships for environmental water delivery) actually *require* these partnerships in order to occur.

[8] C Freak, J McLeod, K Thompson, L Christesen, C Miller, 'Contemporising best practice water management: lessons from the Murray-Darling Basin on participatory water management in a mosaiced landscape' (2022) 27(2) *Australasian Journal of Water Resources,* 321.

The implication of this, is that it demonstrates that to move towards achieving more wholistic and integrated outcomes across the Basin, requires working together (bottom-up), which is arguably at odds with the current trust-deficit experienced from MDB communities whose experience of top-down approaches has been divisive.

Further considerations

It is not proposed that the Triple Crown of Water Reform Framework is fixed, rigid or static, nor that progression to a later stage of the series prohibits evaluation or reassessment of earlier stages (if deemed necessary). Indeed, adaptive management across all stages will remain critical. However, as outlined above, the value of this Framework is in disentangling the various problem-definitions, objectives and mechanisms available to broader or systematic outcomes – to enable more targeted-solutions in policy development, and more accurate evaluation and assessment of mechanisms in policy review.
For further considerations, please refer to the published article.

Chapter Conclusion

Finding 1c) The Triple Crown of Water Reform Framework provides a valuable tool to structure the Basin Plan review, and future reform in the MDB.

With the guidance of the Triple Crown of Water Reform Framework, it is clear the MDB has come a long way, particularly towards the crown of water-sharing, with ongoing work towards the crown of water-management, but clear gaps remain if the MDB is to achieve successes across the full Triple Crown.

It is our recommendation that the MDBA adopts this Framework, for both the Basin Plan Review, and future reform in the MDB. Such an approach, would see the progress towards the first crown, and prioritise the crowns that have not enjoyed such significant progress, and have now risen to become the highest priorities.