

## Office of the Chief Executive

Ref: EC25-000618

The Hon Jim Chalmers MP  
Treasurer

Senator the Hon Katy Gallagher  
Minister for Finance

cc: Senator the Hon Murray Watt  
Minister for the Environment and Water

### Regulatory Reform Opportunities Identified by the Murray-Darling Basin Authority

Thank you for your letter dated 4 July 2025, seeking our assistance to identify regulatory reform opportunities within the Murray-Darling Basin Authority (MDBA) to bolster productivity growth.

The MDBA welcomes the opportunity to engage in the ongoing dialogue regarding regulatory reform across Government and remains dedicated to implementing an adaptive and proportionate regulatory approach, that appropriately balances risk management with the promotion of innovation and growth. As an independent regulator and steward of the Murray-Darling Basin's water resources, the MDBA fulfils a vital oversight function, ensuring the equitable, lawful, and sustainable management of Basin water across multiple jurisdictions.

We have identified several activities across the MDBA aimed at enhancing the effectiveness, efficiency and responsiveness of water regulation, through reducing administrative burden, and better aligning national and state-based frameworks, while maintaining robust environmental and community outcomes. These include:

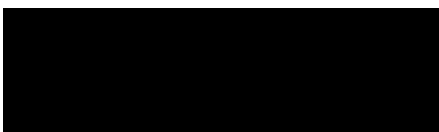
- **The Basin Plan Review:** The first statutory 10-year review of the Basin Plan in 2026 presents substantial opportunities to enhance the consistency of climate-related water information and streamline water regulation. Proposed reforms aim to optimise regulatory design and improve alignment between Commonwealth and state frameworks, thereby increasing both clarity and efficiency for water entitlement holders, agricultural enterprises, and Basin states. These measures are expected to lift confidence in regulatory arrangements, foster innovation and support investment, reduce unnecessary costs and drive productivity gains. Reforms currently under consideration include:
  - **Water trading:** We are investigating opportunities to increase effectiveness of trade rules which may lower transaction costs and improve regulatory oversight.
  - **Water resource plan (WRP) reform:** This will provide greater flexibility for Basin states to continuously improve their water regulations.

- **Simplification of monitoring and reporting:** The Basin Plan currently requires significant monitoring and reporting by Basin states and the MDBA, which is often duplicative and provides diminishing returns for significant effort. The Review will seek to consolidate, streamline and target monitoring and reporting to improve efficiency and effectiveness of data collection, management and use to improve water resource management.
- **Menindee Lakes system review:** We are reviewing the current operational framework to identify potential enhancements to infrastructure, and opportunities for better regulation and associated procedures. This will inform a shared vision and improved oversight for future management of this critical part of the Basin.
- **Sustained integration of uplifted river models:** New software platform developed and delivered via the Integrated River Modelling Uplift (IRMU) Program has consolidated the 24 individual river models across the Basin, enabling streamlined analysis and a whole-of-system view of water management. Our transition to a 6-year sustainment and enhancement of the IRMU platform with Basin states will support enhanced scenario modelling that can optimise returns from water supplied across the system, improve efficiency and effectiveness of river operations, provide greater transparency of modelling outputs, and amplify evidence-based policy development.
- **Basin Salinity Management 2030 strategy review:** We are working to identify a risk-based and streamlined administrative approach to salinity management and accountability that can maintain reduced salt concentration for industry, agriculture and the commercial use of water.
- **Joint Programs improvements:** We are working with Basin states to transition to a multi-year budget and work plan cycle to better address the increasing risk profile of aging infrastructure across the Basin. This will improve financial sustainability, program efficiency and operational performance and flexibility.

Although the above activities are underway and many are budget neutral, legislative amendments and further budget may be required to drive implementation and ensure opportunities for efficiencies and sustainability are fully realised over the long term.

The MDBA looks forward to engaging further with your offices and with Basin governments to advance these opportunities.

Yours sincerely



Andrew McConville

1 August 2025