



Australian Government



Murray-Darling  
Basin  
Authority

Ms Carmel Donnelly PSM – Chair  
Independent Pricing and Regulatory Tribunal (IPART)  
PO Box K35,  
Haymarket Post Shop, NSW, 1240

Email: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Ms Donnelly PSM,

### **Prices for WaterNSW regional and rural bulk water from 1 July 2026**

The Murray-Darling Basin Authority (MDBA) appreciates the opportunity to make a submission to IPART's Discussion Paper regarding WaterNSW Rural Valleys pricing review 2025-26.

The Joint Programs are established by the Murray-Darling Basin Agreement (the Agreement) and consist of a series of initiatives which are jointly funded by the contracting governments of New South Wales, Victoria, South Australia and the Commonwealth. Funding for the Joint Programs is based on agreed Ministerial Council cost sharing principles found here ([Cost Shares Principles](#)). Each contracting government determines how to fund its share of expenditure required for the Joint Programs budget. NSW determines independently from the MDBA, the portion of costs it seeks to recover through WAMC and Bulk Water charges as determined by IPART.

**Attachment A** provides further explanation on the Joint Programs and its purpose.

#### **Q10: Over what determination period should we set prices?**

Historically, the Joint Programs budget is agreed annually by Ministerial Council. Recognising the imperative to shift from annual to multi-year budgets will deliver improved efficiency in program delivery, Ministerial Council requested the MDBA prepare a multi-year budget for 2025-26 to 2028-29. Whilst an annual budget was approved by Ministerial Council for 2025-26, due to the need for more time to secure relevant treasury approvals across some jurisdictions, jurisdictions have agreed to extend the negotiation period by a further 12 months and work towards an approval of the multi-year budget by no later than 30 June 2026.

Further funding in 2025-26 is being contemplated by contracting governments to support urgent investment in River Murray Operations high asset risks. The MDBA is subsequently seeking Ministerial Council approval of the remaining 3-years of the original 4-year multi-year budget approval (2026-27 to 2028-29) by June 2026 (refer **Attachment B**).



On this basis the MDBA is supportive of IPART aligning the WaterNSW regional and bulk water pricing period with the WAMC determination period by setting a 3-year pricing period from 2026-27 to 2028-29.

It is impossible to align the Joint Programs multi-year budget period with each contracting government's water regulation pricing periods or treasury processes. It remains the role of the relevant contracting governments to ascertain the most appropriate approach to funding the Joint Programs.

**Q16: What are your views on the proposed approach to assessing efficient costs of the MDBA and the BRC?**

The Joint Programs currently manages River Murray assets with a replacement value of \$6 billion. An independent review of the prudence and efficiency of the Joint Programs in 2022 revealed that capital expenditure for River Murray asset renewal is currently 30% to 50% of recommended levels to maintain the asset base.<sup>1</sup> This under-investment has been driven by a series of constrained budgets and annual approvals that has led to major issues with some assets' condition, capability and operability. While interim mitigation measures are being implemented for some assets, a significant uplift in investment is required to reduce the risk of asset failure and safety risks - some of which are described in **Attachment A**.

Without the proposed investment uplift in asset renewal and replacement, the governments of New South Wales, Victoria, South Australia and the Commonwealth will collectively have to contend with potential asset failure and significant escalating risks to communities, economies and the environment. With many assets near or past their engineered life span, deferring these investments into future years increases the overall financial burden and creates long-term affordability challenges for jurisdictions – and ultimately for customers and future generations.

The MDBA has recommended to Joint Governments a draft preliminary workplan and budget of \$632 million for 2026-27 to 2028-29. NSW is expected to contribute approximately \$187 million, of which approximately 72% is allocated to programs aligned to WNSW regional and bulk water. MDBA does not determine the split between the NSW WAMC and bulk water. In the event that additional funding is approved by Ministerial Council in 2025-26, the draft Joint Programs budget for 2026-27 to 2028-29 will be revised further.

The interconnected nature of the river system means it is not possible to isolate the individual benefits to NSW from its financial contribution to each of the Joint Program activities. Rather it is the collective investment of the contracting governments that ensures the River Murray System continues to deliver its nationally significant service and supports maintaining the infrastructure compliance with dam safety and Work Health and Safety standards. This shared value is reflected in statistics relating to water rights, agriculture and tourism as shown in **Attachment A**.

---

<sup>1</sup> Stantec, 2022. *Independent Review: Assessment of prudence and efficiency of 2022-23 to 2025-26 expenditure review*.

We encourage IPART to consider the impact of ongoing constrained budgets on the shared risks and benefits of the Joint Programs and the necessary subsequent uplift in investment to mitigate the unsustainable increase in risk in its determination. The nature of the funding agreement between contracting governments can result in one government determining the level of risk shared by the collective governments through constraining its investment.

Decisions on the Joint Programs workplan and budget are made according to agreed governance and assurance processes. The workplan and budget is the result of extensive collaboration with the state constructing authorities and the representative agencies of each contracting government. It has been reviewed and refined extensively by both the MDBA and the Joint Programs jurisdictional governance committees. Several independent reviews have verified that the work plan and budget was prudent and efficient (refer **Attachment B**). Ultimately the Joint Programs budget decision is determined and agreed jointly by Ministers of each Contracting Government.

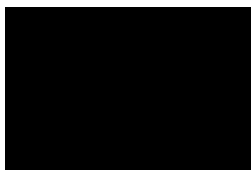
Given the cross-jurisdictional nature of the Joint Programs, decisions made by one jurisdiction for the program have consequential impacts to the remaining jurisdictions and potentially the overall outcomes for the entire Joint Programs. This was partly acknowledged in the Stantec report on expenditure review of MDBA and BRC costs for WAMC.<sup>2</sup>

#### **Additional supporting evidence**

The MDBA will provide updated draft preliminary forecast expenditure as has been provided to the Joint Governments, and additional summary evidence to support the justification of the forecast capital and operating expenditure to IPART on 16 December 2025.

If IPART has any questions or clarifications regarding both this submission or the additional supporting evidence to be provided in December, we would appreciate the opportunity to discuss with IPART prior to the draft determination being released.

Yours sincerely,



**Jacqui Hickey**  
Executive Director  
River Management

20 November 2025

---

<sup>2</sup> Stantec Australia Pty Ltd, *Review of Murray-Darling Basin Authority and Border Rivers Commission costs associated with WaterNSW-Rural and WAMC activities*, prepared for IPART, 13 May 2025, p.42



Australian Government



Murray-Darling  
Basin  
Authority

# Attachment A: Overview of Joint Programs

This attachment provides an overview of the Joint Programs, including its purpose and scope. It also provides a summary of the case for investment and allocation of costs between Water Administration Ministerial Corporation (WAMC) and Bulk Water (as per the split provided by NSW to the MDBA).

## Purpose and scope of Joint Programs

The Joint Programs, established by the Murray-Darling Basin Agreement, “enables shared responsibility between Basin governments to address common challenges for the sustainable management of critical water, natural and physical assets in the River Murray system and the Murray-Darling Basin.” The Joint Program’s vision is “sustainably managed natural resources, ensuring healthy, productive, and resilient rivers for current and future generations.” The purpose and vision are implemented through two streams - River Management and Natural Resource Management (NRM), underpinned by a third stream of Enabling Services - and are funded collectively by all Basin governments.

The vast majority of Joint Programs investment is provided by the contracting governments of the Commonwealth, New South Wales (NSW), Victoria and South Australia. The Australian Capital Territory and Queensland contribute minor funding for specific projects of interest to them. Cost sharing arrangements are used to determine the funding required to be contributed by the other governments after the contributions of the Australian Capital Territory and Queensland are accounted for.

The Murray-Darling Basin Authority (MDBA) oversees the Joint Programs to ensure consistent asset management (planning, budgeting, operations and maintenance) and risk management across the program, as well as providing enabling functions (such as technical and modelling support), and coordinating and directing river operations. Whilst state constructing authorities (SCAs) directly operate and manage assets, they propose both operational and capital expenditure to the MDBA, who coordinates the prioritisation, aggregation and approval of the budgets for all Joint Programs through agreed governance arrangements. The MDBA then facilitates the implementation of approved budgets and reports transparently to the governance committees on progress.

A summary of the Joint Programs and the case for investment is provided below.



# Case for investment in the 2026-27 to 2028-29 Joint Programs Work Plan & Budget

**Joint programs at a glance**

Asset management

River operations

The Living Murray

Water quality and salinity management

Native fish Recovery

**Purpose:** Enabling shared responsibility between Basin governments to address common challenges for the sustainable management of critical water, natural and physical assets in the River Murray system and the Murray-Darling Basin.

**Vision:** Sustainably managed natural resources ensuring healthy, productive, and resilient rivers for current and future generations.

**The Joint Programs manages:**

Assets with a replacement value of **\$6bn**

**This portfolio is at risk**

Current capital expenditure is 1/3 to 1/2 the level necessary to sustain the asset base.

The Living Murray water portfolio valued at over **\$1.5bn**

A multi-year budget and work plan will address historic underinvestment and current inefficiencies in the work plan and budget development process, providing funding certainty over 3 years instead of 1.

**Joint Programs supports billions of dollars of economic value**

Local Government Areas that received River Murray water have a combined Gross Regional Product (GRP) of **\$52.3bn** in 2023<sup>1</sup> and in 2022-23 hosted **360,000 jobs**<sup>2</sup>

The Gross Yearly Value of Irrigated Agricultural Production (GVIAP) in the southern connected system averages **\$5.6bn**<sup>4</sup>

Water rights across the southern Basin are worth over **\$30bn**

The Joint Programs salinity management program contributes an estimated **\$90.2m** of economic benefit per year.<sup>8</sup>

Joint Programs infrastructure has a major role in management of water security and quality during extreme events. Operation of Hume Dam mitigated peak outflow during the 2022 floods by 30% (relative to peak inflow).

In 2022-23 total tourism consumption along the River Murray was **\$3.9bn**<sup>10</sup>

Recreation fishing across the entire Basin is estimated to have a baseline economic contribution of **\$100m** gross output.<sup>5</sup>

Hume and Dartmouth Power Stations produce an average of **425 GWh per year** – equivalent to the output from **~46,000 homes** with rooftop solar.<sup>6</sup>

Ecosystem services from floodplain vegetation, water-bird breeding, native fish and the Coorong, Lower Lakes, and Murray Mouth are worth **\$3-8bn**<sup>7</sup>

**Investment is required to manage costly and high consequence risk**

**Hume Dam Trash Racks**

**Impact of Asset Failure**

- A conservative 10% reduction in Hume Dam storage would have an impact to GVIAP of \$90 million p.a. or \$450 million over the 5 years it would take to fix the trash racks. Potential implementation of stage 2 and 3 water sharing tiers and related reductions to water entitlements including for critical human water needs.
- Loss of hydropower.
- Negative environmental impacts.

**Mildura Weir**

**Impact of Safety Incident**

- Operator fatalities (statistically valued at ~\$20 million for 2 people, along with additional mental and emotional costs).<sup>9</sup>
- Significant economic and social impact downstream due to inability to supply critical water needs, flooding and loss of tourism.

**Lake Victoria Outlet Regulator**

**Impact of Asset Failure**

- Reduced water entitlements including for critical human needs and the environment for up to 4 years.
- Fatalities of downstream maintenance crews or recreational users, if failure were to occur suddenly (statistically valued at ~\$10 million per person with additional mental and emotional costs).

**The proposed Work Plan and Budget ensures the Joint Programs can continue to deliver value**

The value from the Multi-Year Workplan and Budget is several orders of magnitude greater than the expenditure proposed over 3 years.

Either's independent review found the proposed Multi-Year Work Plan and Budget to be prudent, efficient and transparent.

Significant uplift in investment is required to reduce the risk of asset failure.

The risks to the State Constructing Authorities, the MDBA, and as a result, each jurisdiction, increases if investments are deferred into future years.

## Allocation of Joint Programs costs between WAMC and Bulk Water

Each contracting government determines how to fund its share of expenditure required for the Joint Programs budget. NSW determines the portion of costs it is seeking to recover through WAMC and Bulk Water charges as determined by IPART.

In the 2021 IPART Rural Valley and WAMC determinations, it was determined by NSW that the Salt Interception Schemes would form part of the WAMC IPART submission. This split was not an MDBA assessment, it was requested of the MDBA by NSW.

The MDBA has recommended to Joint Governments a preliminary draft workplan and budget of \$632 million for 2026-27 to 2028-29. Based on cost shares, NSW is expected to contribute approximately \$187 million of this total. The split of the total Joint Programs budget between Bulk Water and WAMC is outlined below. Noting, the split between WAMC and Bulk Water is determined by NSW, not the MDBA.

Table 1 Total draft Joint Programs budget split between Bulk Water and WAMC Categories (split as advised by NSW)

	Bulk Water	WAMC
	<i>\$million</i>	<i>\$million</i>
<b>Total Joint Programs Draft Budget</b>	<b>457</b>	<b>175</b>

# Attachment B: Overview of the Joint Programs Governance

This attachment provides an overview of the governance for decision-making regarding the Joint Programs budgets and recent moves towards a multi-year work plan and budget.

## Transition to a multi-year work plan and budget

Multiple reviews of the Joint Programs' processes and budget have been undertaken in recent years, focusing on ensuring a more efficient, effective and sustainable Joint Programs that will support the overall objectives. One of these reviews was undertaken by Stantec in 2022.<sup>1</sup> A key recommendation from the Stantec review of the Joint Programs was for the program to have longer term budgeting and funding horizons which would enable a more efficient delivery of the program of works and reduce administrative burden.<sup>2</sup>

Following the review, Murray-Darling Basin Authority (MDBA) received Ministerial Council approval for the Joint Programs Improvement Project, which aimed to achieve the development and implementation of a multi-year business plan (2025-26 to 2028-29) that supports the medium-term funding commitment and is informed by robust medium-term expenditure forecasts. The newly implemented multi-year budget and asset management frameworks have and will deliver:

- Improved asset management planning, including improved risk-based prioritisation by the SCAs and MDBA.
- Improved strategic prioritisation and investment decisions, enabled by more detailed program and budget information to enable jurisdictional led program prioritisation.
- Decreased likelihood of underspends on capital projects through longer term funding commitments.
- Increased ability to manage changing environmental and river conditions and other interruptions to work.
- Increased program efficiencies through improved budget phasing abilities, improved governance, reduced administration of reviewing and approving a yearly budget and multi-year contracting.

---

<sup>1</sup> Stantec, 2022. *Independent Review: Assessment of prudence and efficiency of 2022-23 to 2025-26 expenditure review*.

<sup>2</sup> Stantec, 2022. *Independent Review: Assessment of prudence and efficiency of 2022-23 to 2025-26 expenditure review*, p. xiv.

## Joint Programs Multi-Year Budget Framework Principles, Policies and Guidelines

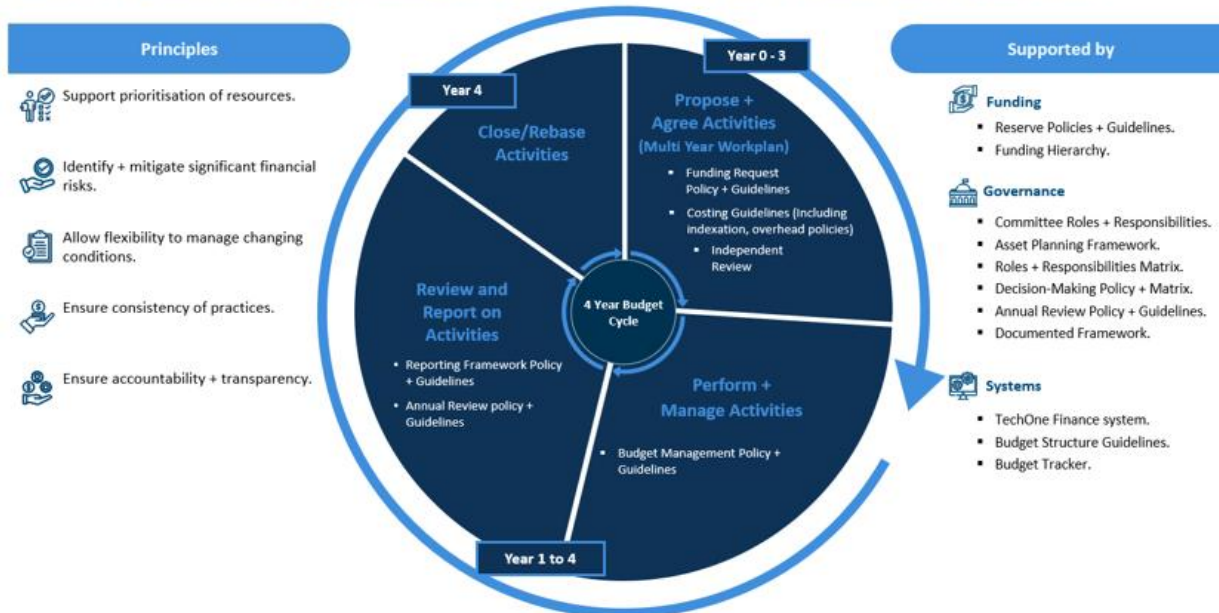


Figure 1. Overview of the Budget Management Framework, illustrating the process and key elements involved.

Transitioning to a multi-year budget cycle facilitates greater effectiveness by ensuring there will be funds to progress these objectives. A multi-year cycle also benefits partner governments, because they know how much their investment will need to be in the longer-term.

# Development of 2025-26 to 2028-29 budget, and subsequent 2026-27 to 2028-29 budget

The multi-year work plan and budget build for 2025-26 to 2028-29 was completed in early 2025. It was the result of extensive collaboration with the state constructing authorities and reviews by the MDBA and the Joint Programs jurisdictional governance committees, and independent consultants. An annual approval was received for the Joint Programs budget in 2025-26 due to a constrained budget environment for some jurisdictions and the authorising environment for a multi-year budget not yet secured for others, rather than the proposed 4-year determination. In recognising that the proposed 4-year budget was unable to be approved by 30 June 2025, jurisdictions have agreed to extend the negotiation period by a further 12 months and work towards an approval of the multi-year budget by no later than 30 June 2026.

The MDBA will be putting forward a workplan and budget for Joint Government Basin Officials in approximately March 2026. A recommended package, which includes both Basin Officials advice to Ministers and the MDBAs recommended budget, will go to Ministers for approval by 30 June 2026. The MDBA is intending to present a revised three-year multi-year workplan and budget from 2026-27 to 2028-29 that offers a prudent and efficient approach to addressing escalating risks (refer to **Attachment A**) and delivering on required performance standards whilst balancing cost. A three-year proposal, rather than 4 years as was provided last year, is being presented to make best use of the extensive work undertaken last year by the MDBA and State Constructing Authorities (SCAs) and to limit the cost to the Joint Programs in producing new budget submissions. This process is shown graphically in the figure below, including proposed actions between now and June 2026.

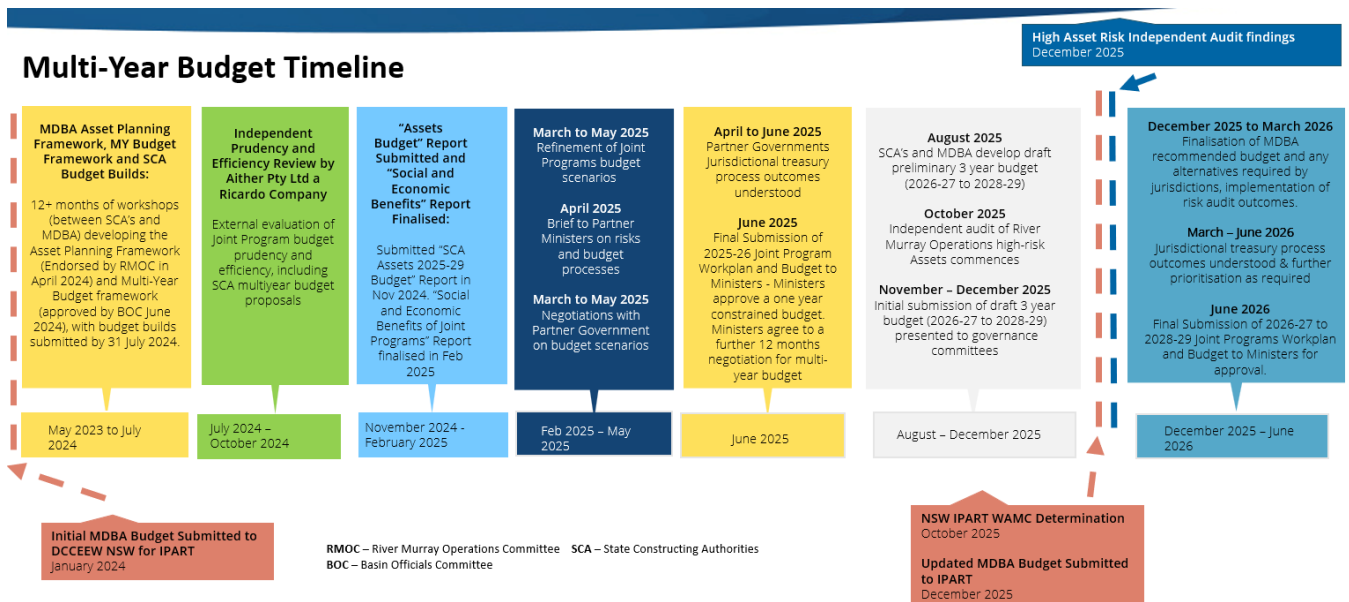


Figure 2. Multi-year Budget Timeline

# Independent review finds the multi-year work plan and budget prudent, efficient and transparent

As part of the process in 2024, Aither undertook an *Independent Review of the first multi-year Joint Programs submission (2025-26 to 2028-29)*. The objective of this review was to evaluate the effectiveness of the changes to the Joint Programs work plan and budget through the lenses of transparency, prudence and efficiency.

The review involved bilateral meetings with the MDBA and SCAs along with project-specific interviews and a review of relevant project proposals and other submissions. A traffic light approach was used to analyse the submissions against key criteria. Based on the detailed review of each criterion, overarching findings were made with respect to transparency, prudence and efficiency.

Overall, the submissions were considered to reflect efficient and prudent levels of expenditure and that the budget submission was transparent, as summarised in Figure 3. The main opportunities for improvement generally related to clarifying documentation, future continual improvement activities associated with risk assessments and budget development approach, and potential contractor scheduling risks that would need to be mitigated by SCAs associated with the uplift in capital expenditure.

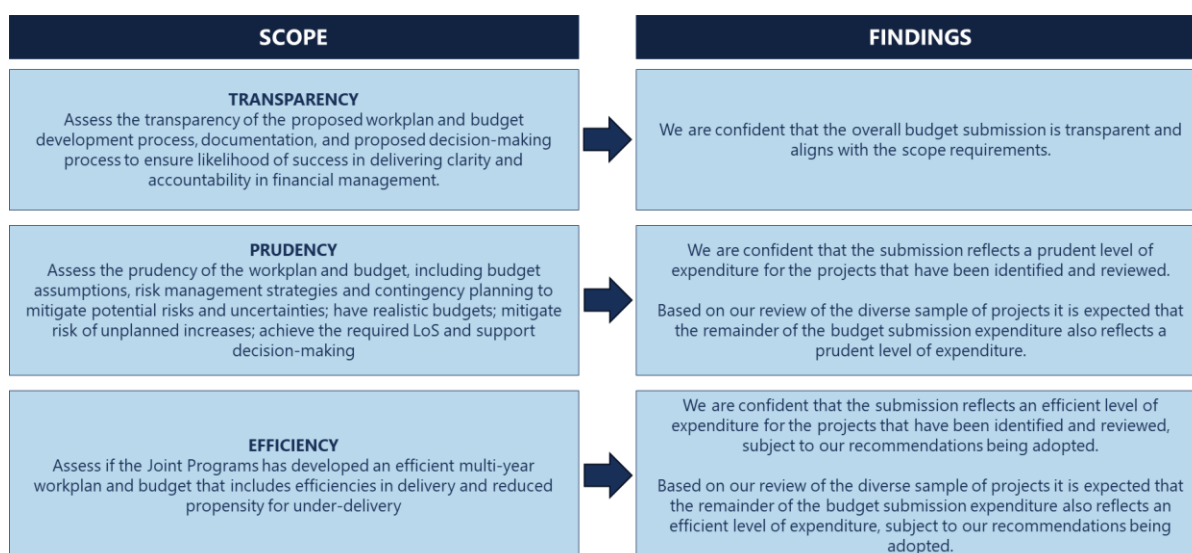


Figure 3 Findings from Aither’s Independent Review

## Decision-making governance for Joint Programs

The Joint Programs governance process is comprehensive and serves as the primary assurance mechanism, ensuring that all work aligns with the requirements of the Murray-Darling Basin Agreement. It brings Ministerial Council together to make informed decisions on the Joint Programs package of work, supported by established frameworks for prudence and efficiency, independent audits, and existing governance committees. These structures collectively provide robust prioritisation and decision-making to guide the Joint Programs effectively. The governance process is summarised in the figure below.

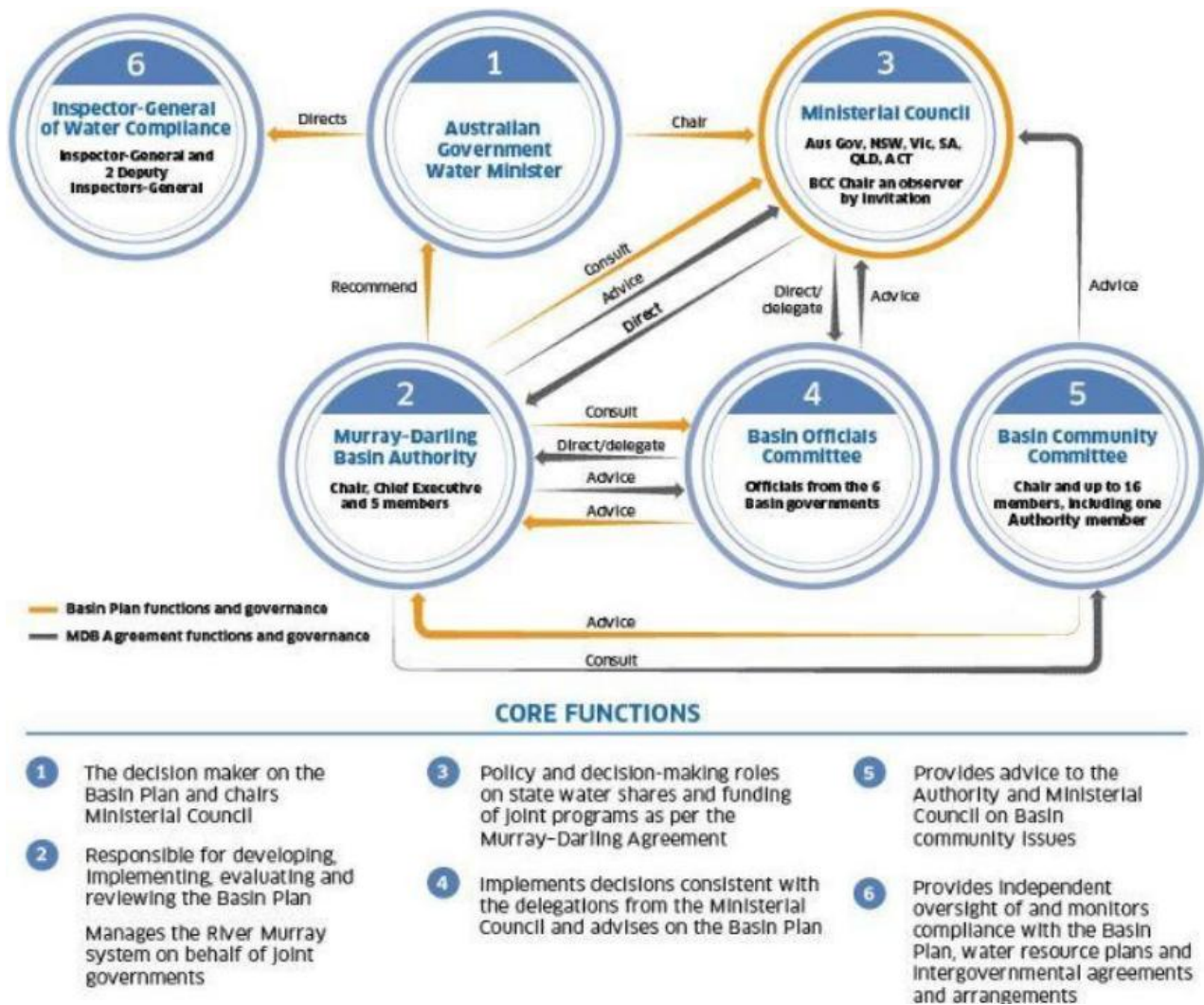


Figure 4 MDBA Overall Governance, including Joint Programs decision-making governance

## Overarching customer engagement on the Joint Programs

The MDBA considers its approach to customer engagement as fit for purpose in the context of our unique role and governance framework. The MDBA does not receive funding or recover costs directly from water entitlement holders. Rather, the MDBA is funded through the contributions from the Basin governments. As such, our engagement is focussed on working closely with these governments through the long-established Joint Program governance committees.

Regarding the Joint Programs budget development, this is subject to significant oversight through these established governance committees. These forms of engagement are relevant and appropriate to the context in which the MDBA operates and should be considered when applying the 3Cs framework.

Our state delivery partners play a key role in the on-ground delivery of the program including engaging directly with water entitlement customers and the boarder community. The MDBA also undertakes complementary on-ground engagement with water entitlement holders, communities and industries on issues related to river operations, environmental water delivery, water quality and the Basin Plan.

The MDBA has regional offices in many locations including Albury, Mildura and Murray Bridge. It employs 8 regional engagement officers, supports a Basin Community Committee and hosts regional community forums in addition to attending NSW customer advisory groups and other local forums.

This approach allows the MDBA to incorporate broader stakeholder input into the Joint Programs portfolio planning and investment prioritisation, strengthening community alignment and support for the program.

The individual jurisdictions determine their approach and requirements for specific engagement with their customers, pending their decisions relating to cost recovery and subsequent requirements from each state's economic regulators.

