



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

ENVIRONMENT AND COMMUNICATIONS LEGISLATION
COMMITTEE

Estimates

(Public)

FRIDAY, 7 JUNE 2024

CANBERRA

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ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE

Friday, 7 June 2024

Members in attendance: Senators Chandler, Davey, Grogan, Hanson-Young, McLachlan, Payman, David Pocock, Roberts, Ruston, Sharma, Shoebridge and Van

CROSS-PORTFOLIO MURRAY-DARLING BASIN PLAN MATTERS**In Attendance**

Senator McAllister, Assistant Minister for Climate Change and Energy
Department of Climate Change, Energy, the Environment and Water

Executive

Mr David Fredericks PSM, Secretary
Ms Lyn O'Connell PSM, Deputy Secretary

Finance Division

Mr Robert Hanlon, Chief Finance Officer

Environmental Water and Aquatic Ecosystems

Dr Simon Banks, Division Head and Commonwealth Environmental Water Holder
Dr Marcus Finn, Branch Head, Northern Basin, Science and First Nations Branch
Mr Hilary Johnson, Branch Head, Southern Basin, Taskforce and Portfolio Branch

Portfolio Strategy Division

Ms Michelle Croker, Division Head
Ms Dana Sutton, Branch Head, Ministerial Liaison and Governance Branch
Ms Anita Agett, Branch Head, Communications and Media Branch

Water Infrastructure and Investment Division

Ms Ruth Wall, Division Head
Mr Mark Darrough, Branch Head, Water Grid Infrastructure Investment Branch
Mr Lachlan Simpson, Acting Branch Head, Water Grid Infrastructure Investment Branch
Mr Malcolm Southwell, Branch Head, Water Recovery Branch
Mr Dan Croucher, Branch Head, Program Design Branch
Mr Greg Whalen, Branch Head, Regional Program Delivery Branch

Water Policy Division

Mr Matthew Dadswell, Division Head
Mr Angus MacGregor, Acting Branch Head, Basins Policy and Science Branch
Ms Lou-Ellen Martin, Branch Head, Water Support and WELS Branch
Ms Angie McKenzie, Branch Head, Strategic Water Policy and International Engagement Branch
Ms Sheryl Hedges, Branch Head, First Nations Water Branch

Water Reform Division

Ms Rachel Connell, Division Head
Ms Emma Solomon, Branch Head, Water Markets Reform Branch
Mr Brett Ward, Acting Branch Head, Basin Plan Reform Taskforce
Ms Jacqui Hickey, Branch Head, Engagement and Environmental Outcomes
Mr Phil Coates, Branch Head

Inspector-General of Water Compliance

The Hon. Mr Troy Grant
Mr Daniel Blacker, Deputy Inspector-General of Water Compliance, Regulation
Ms Holly Young, Acting Deputy Inspector-General of Water Compliance, Capability

Murray-Darling Basin Authority

Mr Andrew McConville, Chief Executive
Mr Angus Paton, Acting Executive Director, River Management Division
Mr Tim Goodes, Executive Director, Basin Plan Division
Mr Scott Ashby, Executive Director, Basin Science and Knowledge Division

Ms Katrina Tonkin, Acting Chief Operating Officer, Business Services Division

Dr Joseph Davis, Senior Director, River Modernisation, River Management Division

Ms Jack Knowles, General Manager, Communications, First Nations and Strategy

Ms Megan Winter, General Manager, Basin Plan Implementation, Basin Plan Division

Dr Matthew Coleman, General Manager, Applied Science, Basin Science and Knowledge Division

Mr Shenal Siriwardhane, Acting General Counsel, Legal and Government Relations, Business Services Division

Commonwealth Scientific and Industrial Research Organisation

Dr Peter Mayfield, Executive Director, Environment Energy and Resources

Dr Chris Chilcott, Deputy Director, Environment

Dr Carmel Pollino, Research Director, Environment

Ms Karen O'Rourke, Senior Adviser, Government Relations

Geoscience Australia

Dr James Johnson, Chief Executive Officer

Dr Andrew Heap, Chief, Minerals, Energy and Groundwater Division

Dr David Robinson, Branch Head, Basin Systems

Australian Competition and Consumer Commission

Mr Mick Keogh, Deputy Chair

Mr David Salisbury, General Manager, Small Business and Agriculture Division

Committee met at 09:01

CHAIR (Senator Grogan): Good morning. I declare open this hearing of the Senate Environment and Communications Legislation Committee into the 2024-25 budget estimates. I begin by acknowledging the traditional owners of the land that we meet on and pay our respects to elders past, present and emerging. The committee proceedings today will begin with the Inspector-General of Water Compliance as part of the Murray-Darling Basin Plan cross-portfolio matters. The committee has fixed Thursday 18 July as the date for the return of answers to questions taken on notice.

Under standing order 26, the committee must take all evidence in public session, and this includes answers to questions on notice. I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of the evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence. The Senate has endorsed the following test of relevance for questions at estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has the discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has resolved also that an officer of a department of the Commonwealth should not be asked to give opinions on matters of policy and should be given reasonable opportunity to refer questions asked of officers to superior officers or to a minister. This resolution does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Witnesses are reminded of the Senate order specifying the process by which a claim of public interest immunity should be raised, and I incorporate the public immunity statement into the *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

CHAIR: I remind all senators that, as we continue our work implementing the *Set the standard* report, as chair I will ensure that proceedings are conducted in an orderly, respectful and courteous way.

Inspector-General of Water Compliance

[09:04]

CHAIR: I'd now like to welcome the Hon. Jenny McAllister, Assistant Minister for Climate Change and Energy, representing the Minister for the Environment and Water. Minister, would you like to make an opening statement?

Senator McAllister: No, thank you, Chair.

CHAIR: I welcome the Hon. Mr Tony Grant, the Inspector-General of Water Compliance. Mr Grant, would you like to make an opening statement?

Mr Grant: I would. Thank you, Chair. Good morning, senators. Once again, I'm absolutely delighted to appear in this place before you with my two deputies, Daniel Blacker, deputy inspector-general for regulatory work in our office; and Ms Holly Young, the acting deputy inspector-general for capability. Senators, what a dynamic time for compliance, oversight and integrity within the water space nationally. Each time I've had the privilege to appear as a witness before Senate committees since my appointment to the role in 2021 I've spoken about how we're building capacity and capability to enable the role and the office that supports me to do its job. The news from this year's federal budget that the Inspector-General of Water Compliance has received additional funding to do its job more effectively is not only a boost for compliance, oversight and integrity across the basin but also a message to basin communities that their sentiment and concerns around issues that directly affect them are being listened to and responded to. It's a significant measure that helps with our goal to build confidence and integrity in the Basin Plan.

An additional \$28.6 million over four years will provide us with the means to fully realise a structure which will allow me to perform all of my legislated functions. This will include the capacity to undertake inquiries as part of our critical oversight role, bringing independent legal advice in house for the first time to ensure the independence of my role is maintained and the ability to continue the crucial engagement work currently being undertaken by my excellent staff. Our next challenge will be attracting the right people in a timely manner in a difficult employment market to support this important work. I thank the secretary for his assistance, the Department of Finance, the government more broadly and specifically the minister for these funds and what that will mean for this role in the office supporting the Inspector-General of Water Compliance. In short, the minister delivered exactly what I asked for and, importantly, what I needed to do my job comprehensively.

Since I last appeared, I'm pleased to share, the inspector-general's work has grown in demand, and the more light we shine on areas of integrity or areas of improvement, the more work comes our way, which is both a positive and a concern. We are maturing quickly. We have robust and quality governance arrangements in place to support our evidence-based work and continue to push the department hard to service our desire to move quickly and be effective. We continue to see basin states on the regulatory side of our work coming together and working openly and closely through the Regulatory Leaders Forum, which I chair. We continue to see the ongoing work of the states through mechanisms such as the metering report card. The 2022-2023 report card was issued by us in mid-April. I make the point that, while the recent report card reveals metering compliance improved in priority areas and, for the first time, we have a glimpse into the metering for floodplain harvesting or overland flow rolling out, I also publicly put basin states on notice that I'm working with them on the improvement of data sharing and that the metering reform deadline of July 2025 is fast approaching.

It is also timely that I acknowledge the work being done by New South Wales regarding their water resource plans. Since making my position on the issue very clear at the 2022 'River reflections' conference in Mildura, I understand, 14 of the 20 WRPs are now accredited and operational. The MDBA will be able to elaborate on two other WRPs, I understand, which are being assessed by that authority. If they are both accredited by June 2024, 80 per cent of New South Wales WRPs will be operational by the end of this water year—a far cry from the zero—I repeat, zero—accredited when the IGWC commenced our work. A side note for New South Wales WRPs: Namoi and Gwydir, two surface water and two groundwater, still need to be resubmitted. I've met with the New South Wales minister in person on those matters and understand the challenges causing those delays. The authority is best placed to provide you with specifics on that status. But I acknowledge the progress, especially the work being driven by the New South Wales water minister—a far cry from her two predecessors. I look forward to all 20 of the plans being accredited forthwith.

The government has invested in us. Basin communities are invested in our success. We are now operationally funded. We are nearing genuine independence, and we are ready to get on with the work we are empowered and authorised by this place to do. I'm confident that, through the secretary, the department will, with all due haste, continue to support my independence as the Inspector-General of Water Compliance. I know I have the minister's support in that goal. I'm confident the department recognises our role as a national independent integrity agency and will do its utmost at this critical juncture of our existence to support the office assisting me. Thank you. I look forward to any questions.

CHAIR: Thank you very much. I will start. You got \$28.6 million in the budget. I know that, when we spoke back in February, you had just that week given your pitch to the minister about what you needed and how important it was. I know you made that point to us about the criticality of getting that money. Can you unpack what that additional \$28.6 million is going to enable you to do.

Mr Grant: I'm very happy to, and I'll look to the assistance of my deputy for capability. Ms Young, along with the former deputy, Ms Leopold, ran that process for us. They have the delegations I don't have in relation to protected enclaves and working with the departments et cetera, so she can go into more fine detail than I can. But, in essence, we got funded for roles and functions that we never had funding for before. Inquiry—we never had any funding for that work. Some of our field operations in our engagement work weren't funded, so we had to utilise money from other NPPs to ensure that critical part of our work was occurring. Now this budget allocation funds all the functions that we now are legislated and required to do. Ms Young, would you like to take the senator through it?

Ms Young: That was a pretty good summary. As Mr Grant says, we'll be able to establish a dedicated oversight function, which will enable the inspector-general to conduct inquiries as he determines or as instructed by the minister, as well as in-house legal, which will certainly reinforce the independence that we have by avoiding any either perceived or actual conflicts of interest with the department's legal team. It also allows us, as Mr Grant said, to continue that crucial engagement work and explore some other opportunities with the

department to further independence in the ICT services world, continuing to leverage off the efficiencies where we can but also ensuring that, in any areas where there may be conflicts, we are able to explore what options we have to set up independently.

Mr Grant: I can elaborate on the in-house counsel in particular. As we were established, we were relying on departmental legal staff, but there was a significant and obvious conflict that there were lawyers who were required to provide advice to us and then we were overlooking the department, so then they may well have had to oversight the department. That was untenable, and they were unable to provide us with any assistance. We then had to go and outsource legal advice. They're not my lawyers; they're just lawyers that we get from the market. They're quite expensive—more expensive than having in house as well.

CHAIR: They would be less across the criticality of your role?

Mr Grant: Less across the issues—that's right. We would have to go out and tender into the market. It was costing us a lot of money that could have been better utilised in other areas of our work. This is a significant enhancement, efficiency-wise and confidence-wise for myself, in that I can rely on my own in-house counsel without worrying about any conflicts or divided loyalties.

CHAIR: Great. In terms of the inquiry piece, do you have a sense of where you want to go first?

Mr Grant: Absolutely.

CHAIR: I thought you would.

Mr Grant: As I said in my opening address, the more we're out there and the more we do, the more information is coming. We're cognisant of other work being done by other agencies such as the Productivity Commission. They're highlighting areas of concern where there's greater oversight required, and then we have the opportunity, now we're going to be funded, to potentially inquire into some of those areas. The Productivity Commission made particular reference to the northern basin toolkit, as an example. That could be ripe for an inquiry. That's all something I have to consider, properly scope and see if it's feasible, because we're all about outcomes and making an impact. We do things on risk. Where the greatest risk is is where my decisions about where we need to focus our attention and inquiry are as well.

CHAIR: Great. Thank you very much.

Senator DAVEY: Thank you for your opening statement. It was quite informative. I want to ask something relative to what Ms Young just said. The extra funding will give you a dedicated oversight function to conduct inquiries, which you've also reiterated. But Ms Young said 'or as instructed by the minister'. As an independent inspector-general, is it instructed by the minister or is it referred by the minister and it's your decision whether you conduct the inquiry?

Mr Grant: That's quite right. The legislation allows the minister to ask me to conduct an inquiry but cannot dictate to me how I conduct that inquiry.

Senator DAVEY: Right. So you can be instructed to do an inquiry, but how you do it—

Mr Grant: How I do it is completely my decision under the legislation. That's correct.

Senator DAVEY: Thank you. You mentioned in your opening statement the New South Wales water resource plans. I know it's been a frustration of yours since you took on the role.

Mr Grant: Not just my frustration.

Senator DAVEY: No. It's been a frustration. Certainly my frustration has been that they've been submitted multiple times, and we keep getting told through estimates that often it's just typographical errors or something. I'm thinking you cannot have five iterations and still be getting typographical errors and no-one's lost their job. But that's my personal opinion. You've now got 14 out of 20. I've got questions for the MDBA later, because I know that you don't accredit. But, once they're accredited, you work to them in the oversight of that valley?

Mr Grant: Absolutely.

Senator DAVEY: They're critical to you to being able to determine whether the SDLs are being complied with in a resource plan area?

Mr Grant: That's correct—not just the determination but also the ability to actually hold people to account if there are errors or problems or noncompliance.

Senator DAVEY: You have in the past suggested, and quite rightly, that in the Water Act there are powers for the federal government to step in and complete water resource plans in the failure of states to do so. Given that it's now midway through 2024 and there still are outstanding New South Wales water resource plans, at what point do you think the government should exercise that step-in power?

Mr Grant: That's a decision for the minister, not me, fundamentally. We have had conversations. I provide advice when asked on that and I've made public statements on that particular part of the act as well, but the decision is ultimately the minister's.

Senator DAVEY: I think you raised publicly two years ago that it was there and suggested that it should be used back then.

Mr Grant: Yes. The minister speaks for herself, but, when I raised that publicly, New South Wales was nowhere in relation to even a proper, decent, genuine intent or effort. That has seismically shifted under Minister Rose Jackson. She's driving her department very hard. I've seen evidence of that. I imagine that factors like that would also be things that the minister would consider.

Senator DAVEY: Thank you. I want to come to the metering report that you've recently released. It is starting to become more and more apples with apples—

Mr Grant: It's Pink Ladies with Granny Smiths now.

Senator DAVEY: Rather than apples and oranges, it's apples and another sort of apple.

CHAIR: From just all being fruit to all being apples.

Mr Grant: It's all fruit, Senator.

Senator DAVEY: I noticed, though, Queensland data is still not available. What is going on?

Mr Grant: I'll get my deputy for regulatory, who drives that process pretty hard, to answer that question for us.

Mr Blacker: We've been working quite closely with Queensland. My understanding is that they've got a reform program with an IT uplift component which will improve their data collection and their ability to then report that. They do provide some data to us. It's not the data we've asked for. They are upgrading their systems to be able to provide us that data. We would have hoped to have received that now, but they're keeping us regularly updated as to the progress of the reforms and the implementation of that new ICT and data collection system in Queensland.

Mr Grant: I can elaborate in relation to Queensland. They're starting from a long way back. When I started in this role, they were nowhere on most issues.

Senator DAVEY: And yet all we ever heard about was New South Wales. Go figure.

Mr Grant: Yes. But I have to compliment Queensland on the seismic improvements that are being made. Deputy Blacker appeared before a—I'm not sure what they call them up there in Queensland.

Mr Blacker: A parliamentary committee.

Mr Grant: They don't have a senate obviously—the parliamentary committee in relation to a seismic change in their policy direction and intent, as well as what then led to a bigger budget allocation. They've greatly enhanced their compliance capacity on ground to check for water theft and metering. They're investing in their data. It's just taking a little bit of time to get it up to speed because they were so far out of the game, essentially. I have confidence in the trajectory they're on, and I congratulate them on the big improvement. They're not where we need them to be at the moment, but I'm confident they will get there.

Senator DAVEY: If we can't have confidence that they're being metered, because you're not getting the data, how can we have confidence in the SDL compliance?

Mr Blacker: Senator, one of the things they provide to us is the percentage of water that is metered. What we've asked for in the metric is an account, if you like, of the number of meters versus the number of take points. They can give us a volume number, and that number is 74 per cent of take in Queensland that is metered, so that's 24 per cent not metered. The number that we've asked for that's not reported is just a straight-up count. So they're working on a system improvement for that. But the number that they do give us is actually a risk based metric, and it could be argued it is actually a better reflection of risk because it looks at volume as opposed to a straight count of numbers. We're looking to have both so that we can get a full picture. But that 74 per cent tells you how much take in Queensland is metered.

Senator DAVEY: Are we confident when we're doing the SDL compliance that the volume of actual take is the volume of actual take, or are we still going 'There's enough unmetered up there that it's very rubbery'?

Mr Blacker: There's a broader issue here, which is confidence in modelling and the component of annual actual take that is modelled. That's something that we have been actively looking at for some time. We have a level of confidence in the annual actual take. One of the areas that we're looking for improvements in and we've started to do this work in this metering report card is floodplain harvesting. This time we've incorporated new

information on floodplain harvesting for the first time that shows where the licensing reforms are at. What we'll be doing next is including information on the measurement of floodplain harvesting on ground. So, again, we'll bring the same metrics to floodplain harvesting—how many storages, how many properties and how many measurement devices are on those storages. So that's where we're heading.

The ultimate goal there is to get those measurement devices on ground, feeding actual data into the register of take. What we want to see is not aggregated average long-term models being used to say how much floodplain harvesting is being taken. We want to see the actual numbers coming from measurement devices. That's the ultimate goal for us.

Senator DAVEY: It is good to see floodplain harvesting for the first time in this report. I note that, as far as what is licensed goes, New South Wales is far ahead of Queensland.

Mr Grant: That'll be a growing continuous narrative. That first snapshot there is basically telling you the licensing numbers. The one after will then start to give you the early figures on how many are metered on those licences, et cetera. You can't take unless you're metered as part of the NRAR regulatory up there as well. So I'd say another two—

Senator DAVEY: Is Queensland implementing on the same basis that their floodplain harvesting will also be metered?

Mr Blacker: Yes. What you can see—

Senator DAVEY: I shouldn't say 'measured' because it's not running through a meter.

Mr Blacker: What you can see in the report this time is a clear map across New South Wales and Queensland, which shows where the licensing has been rolled out in either jurisdiction. In the lower Balonne, for example, there's been measurement of overland flow in Queensland for 20-plus years. When we ask for that data, we're not looking on a jurisdiction basis. We'll ask both Queensland and New South Wales, and we'll include both. To the comparison before, we're looking for apples and apples.

Mr Grant: Some intelligence we're getting in relation to the installation of meters for floodplain harvesting et cetera is that there are some legitimate issues around DQP, which is duly qualified person, availability to install and make sure they're right. In addition, there are also some delays in the supply market and access to tradies or others to build gantries—which is the infrastructure, for those who aren't familiar—from which the meters need to hang at the point where the water is kept or metered into a storage. There's a little bit of a lag in that as well, which is legitimate and not on the landholder. You have to be understanding of all the factors in there. It's just not necessarily about an intent not to do it. There are some legitimate factors as to the speed of the implementation.

Senator DAVEY: Importantly, the regulatory regime for metering of floodplain harvesting is now there?

Mr Grant: Correct.

Senator DAVEY: Thank you.

Senator ROBERTS: Thank you for being here again. It's good to see you, Mr Grant.

Mr Grant: You too, Senator.

Senator ROBERTS: Mr Blacker, I'm particularly pleased to hear your comments that models are no substitute for actual measurement. That brings warmth to my heart, I can tell you, because your belief needs to be spread across so many different areas of governance in this country. Could you expand upon the gaps that you see now? I know you told us Queensland has got some gaps. Floodplain harvesting is starting to be measured in northern New South Wales, which is wonderful. Where are the main gaps for monitoring? You can't have integrity without measurement. You just cannot. I'm so pleased to see what you're doing.

Mr Blacker: Indeed. We've been working closely for some time on understanding exactly that question from an evidence-based perspective. We've been partnering with the University of Melbourne on that work. It's showing us clearly that the next step that needs to be taken here is in floodplain harvesting measurement. That's in terms of what is currently in the accounts versus where we'd like to be. Obviously the annual permitted take is always going to be from a model. But, as you said, what we want to see is the annual actual take coming from measurement devices so we can compare on-ground versus modelling. And that's where we're going. So the next step for us is encouraging New South Wales and Queensland on that path to having that included in their reporting to the MDBA and the register of take so that we can look at that from a compliance perspective. We're looking at that from a risk-based perspective, and that's essentially what's next.

Senator ROBERTS: It must be difficult in many ways because floodplain harvesting in northern New South Wales and Queensland is not cyclical. It's intermittent and it's highly variable. The differences between a low year and a high year are phenomenal.

Mr Blacker: That's right. What we're looking to see in the register of take in the fullness of time is that peak. You might get two, three, four or five years where there's very little, if any, floodplain harvesting or overland flow take. Then you might get an event where you have a very significant amount of take. We'd like to see that actual measurement in the accounts. At the moment, what we receive is a long-term average in the actual take for the register of take. There are commitments in some of this in the compliance compact. What we're doing, like we've done in metering, is starting to report on that through our metering report card.

Senator ROBERTS: Mr Grant, have you visited Cubbie? I think you've told us previously you have.

Mr Grant: Cubbie Station?

Senator ROBERTS: Yes.

Mr Grant: Yes, multiple times.

Senator ROBERTS: What's your assessment of their reporting standards? They have been going for quite some time on measuring and reporting.

Mr Grant: Time goes quickly. It's been probably nine months since I was last there, or around that time period. They were reporting on probably a more regular basis from their telemetry into the Queensland department than anyone would perceive or than the reputation goes. I've seen them being overcompliant in some regards. I know they've been working with the CEWH in relation to some environmental water releases et cetera. But, from the reporting of their data, I've got no reason to be worried about what I've seen in comparison to some other areas regarding the timeliness of their reporting.

Senator ROBERTS: Thank you. The reporting, the telemetering and the measurement is, from what I've seen—I've been there a few times—fabulous. It's very good. They do it for the right reasons. Sometimes they don't harvest when they're allowed to because they see the river would benefit from not harvesting. Also, they realised they were targeted—spuriously, in my opinion—and they realised that, to be on the front foot, they need to have the data, and they've got it.

Mr Grant: The challenge that they've had for a long time—and it goes way before my tenure and way before even Mick Keelty began as the Northern Basin Commissioner back in the day—is that perception issue is hard to shake and there are myths around a lot of water management across the basin, north to south. There are myths at both ends. The CEWH in my *Steady as it flows* reports—I did an assessment of the Commonwealth Environmental Water Holder and the work they were doing in relation to the engagement north to south to debunk a lot of those myths and get a better understanding of how things were operating. I know a lot of people went away, from the south, with a very different perception of Cubbie than they had before they arrived. One of the great anecdotes that Mick Keelty told me in the handover is that he was standing on the bank of a dam at Cubbie on the phone to the former minister Lisa Neville at the time. She said, 'Where are you today?' He said, 'I'm at Cubbie.' She was going, 'Oh, those thieving—' and so on. He said: 'Minister, every dam here is dry. They haven't had a crop for seven years.' That's also part of the challenge of our work—to be the independent evidence conveyor or communicator, I guess, of what's real and what isn't, to go to that trust and integrity in what's actually happening in water management. We're the ones out there telling the truth.

Senator ROBERTS: Thank you. You mentioned telemetering. Cubbie does quite a bit of telemetering, because in a floodplain harvest situation it's difficult to do anything else but telemetering. How will you ensure independence of data from northern New South Wales and the remaining Queensland floodplain harvesters? Also, I'd like to know what are the next steps. You mentioned you've got problems with skills for installing gantry measurements. What are the other issues you're facing before we can rely 100 per cent on the data?

Mr Grant: I'll let the deputy talk about the data. He's better at data than me.

Mr Blacker: Thank you, Senator. The first point I'd make is that Queensland have introduced a policy now which requires telemetry for all of the take in the Murray-Darling Basin areas within Queensland. That's an important step forward. We did some work in an audit last year, I think it was, on overland flow, and we looked at and audited Queensland on their water resource plan compliance requirements. There are eight things that they commit to doing as obligations in that water resource plan in managing overland flow. We went and audited against all of those eight things, and they were compliant against all of their requirements in the water resource plan. That audit report is on our website. What we did find, though, is that they have challenges in getting to some of the measurement devices during flows. As you can imagine, access is difficult during a flood event. That has in part driven the policy response from Queensland, which is to uplift the telemetry requirement in the Murray-Darling Basin.

Senator ROBERTS: Uplift the what?

Mr Blacker: The telemetry policy requirement within the Murray-Darling Basin portion of Queensland. They're on a pathway to implementing that now, and we're getting the statistics in the metering report card about how that rollout is going on telemetry in Queensland.

Senator ROBERTS: Who are the recipients of the telemetering measurements?

Mr Blacker: It's the Queensland department.

Senator ROBERTS: So it's independent from the operator?

Mr Blacker: Correct.

Senator ROBERTS: Thank you. You're happy with where Queensland is going. What are the obstacles you still have to face?

Mr Grant: They share the same as New South Wales in relation to DQPs and some labour hire and getting raw materials for gantries and stuff like that.

Mr Blacker: It's not dissimilar to some of the conversations we've had before in terms of metering reforms and rollouts. Floodplain harvesting measurement has some of the same, if not many of the same, issues. For example, supply of devices is being reported to us as an issue. We haven't independently verified that. We did do that in the metering space at one point to understand supply chain issues. We met with all the suppliers. We are getting similar sorts of reports through on some of those rollout issues—supply chain, labour availability and just ability to deliver in a quick fashion when you're doing a number of these. They've got a staged rollout, valley by valley, in Queensland. They're working their way through it, and we're monitoring that as part of our oversight role.

Senator ROBERTS: What about measuring river and creek flows of water across the whole basin, apart from floodplain harvesting? Where does that stand? As an overall picture, can you pick a number out of 100?

Mr Blacker: Are you talking about the hydrometric measurements?

Senator ROBERTS: Yes.

Mr Blacker: We don't deal directly with that measurement. Most of that's probably more in the domain of the MDBA, but we did—

Senator ROBERTS: Excuse me, I wasn't expecting that. What I am looking for is your level of confidence that we measure—how much is left to be measured before you can put a stamp of integrity on the whole Murray-Darling Basin?

Mr Blacker: If you look at—

Senator ROBERTS: We're allocating water sometimes with no understanding of flows.

Mr Blacker: In terms of coverage, we've got on pages 3 and 4 some summary and overall statistics for the whole of the basin. We've got, for example, a metric on coverage, which covers the percentage of take that is metered in each jurisdiction. For Victoria—

Senator ROBERTS: Is that percentage of take metered in terms of take-off or in terms of the river and creek flows?

Mr Blacker: That's take out of the system—so consumptive use. It's 98 per cent for Victoria, 100 per cent for the ACT, 98.2 per cent for South Australia and 79 per cent for New South Wales.

Senator ROBERTS: What I was getting to was: how confident are you in the measurements of the river and creek flows? That'll tell us how much water we have. At the moment we're seeing a lot of allocations and a lot of policy that, in my opinion, is not well informed.

Mr Blacker: One of the reports that were done very early on in the inspector-general's tenure was a report called *Steady as it flows*, and we looked at both the MDBA and the CEWH in that regard. One of findings of that was that there was still some work to do in that hydrometric measurement space, and there was more that could be done to infill some of those measurement arrangements for the whole-of-system water balance. It highlighted some of the work that was actively underway by agencies to address that.

Senator ROBERTS: The people who will scrutinise you the most and the most effectively are not sitting in this room. They're sitting at home watching this. What percentage of the river and creek flows is currently being measured, do you think? Have we got a long way to go before we can have confidence in the water balance?

Mr Blacker: That's the domain of the MDBA more than us. We don't do the collection of data from the states, and the analysis of that's done by the MDBA, so they're better placed to answer that question, Senator.

Senator ROBERTS: I appreciate that, but you're chasing integrity. You won't get integrity until you have water balance.

Mr Blacker: I would also say we often talk about how you eat an elephant, Senator, and the answer is one bite at a time.

Senator ROBERTS: Out of 100, how many bites have we got to go?

Mr Blacker: There's no shortage of work for us to do in the future.

Senator ROBERTS: I understand that. But how long before we can get a high degree of confidence in the integrity of Murray-Darling Basin water flows?

Mr Blacker: I think that's a 'How long is a piece of string?' question. For us, we look at the risk and the issue. When we commenced in 2021, the high-risk issues that we were really interested in and we were hearing about frequently that were affecting trust and confidence—metering was the first one that people raised with us all the time. If we look now and we measure those sorts of things, community sentiment and things that are being raised with us, we're watching metering drop down the areas of concern. What we're seeing is that, where we take an active interest and where we get better transparency and better monitoring and reporting, we're finding that's helping trust and confidence and taking the heat out of people's concerns in those areas. So metering was a key one for us. We've spent a bit of time on Basin Plan water trading rules and some water market areas. We're looking at them and going, 'What's the biggest risk?' and that's what we tackle next.

Senator ROBERTS: I can take your response in one of two ways. Here's a person who believes in data, but you're not willing to give me a broad figure for the percentage covered. At the same time, maybe that's boosting your integrity because you won't do that, because it's going to be a floppy number. I'll give you the—

Mr Blacker: I'll let you interpret that, Senator.

Senator ROBERTS: Well, you're smiling—so am I. Thank you.

Senator McLACHLAN: I have a question following on from something Senator Roberts asked. When you talk about a gantry and needing labour to install it—that's a state responsibility. Is that correct? It's at their cost or that of a farmer or a provider. Is that correct? You're not owning the infrastructure that's measuring.

Mr Blacker: The short answer is yes. Metering is a state responsibility predominantly. We have some obligations in water resource plans and the like. Our interest here is particularly in the oversight of the compliance compact. There's a range of commitments by the states to do things, and we're looking at those commitments in particular. In terms of ownership and rollout, it varies by state. For example, in Victoria you'll find state-owned infrastructure—state owned, state maintained and state operated—whereas in New South Wales, for example, that's landholder owned and maintained. So it varies by jurisdiction. The problems and issues vary by jurisdiction depending on what they're trying to achieve.

Senator McLACHLAN: To maintain integrity, you then audit in accordance with an audit plan to ensure that the data you're getting from those meters is accurate?

Mr Blacker: There are a few aspects to that—

Senator McLACHLAN: Strategically?

Mr Blacker: There's data that comes through the MDBA, under section 71 of the act, which forms the register of take. There's information supplied to us directly by the states, which forms our metering report card. There's a range of different information sources for different purposes. We have the ability to audit water resource plans. Where they're in place and accredited, there are, more often than not—and they vary across the many different water resource plans—metering obligations in there, and we have the ability to audit against those.

Mr Grant: The best one to look at for that example is the Condamine-Balonne on our website. We published that.

Senator McLACHLAN: Yes. I was coming from the point of view of how we strategically, with all the different patchworks—you're comfortable with the data you have for your integrity work?

Mr Grant: It was one of the fundamental challenges when we started putting all this together.

Senator McLACHLAN: Yes. It's a legacy of the federation, in essence. On a completely different topic, thank you for your responses to my questions on notice. In there, you advised me that the average time to close out an investigation is 148 days—less than five months. From your perspective, is that a good number or a number you wish to improve on?

Mr Grant: We would always want to do things as quickly and efficiently as we can. It just depends on the complexity or what's involved in each individual investigation. You'll be pleased to know, Senator, that, inspired

by your questions, we're now publishing on our website our investigation statuses as well. That's because we get asked every Senate estimates 'How many and what type.' You can look for yourself now on our website and it's all available to you. On the timeliness in that, the deputy here will be able to attest how hard I ride him in relation to timeliness on—

Senator McLACHLAN: To me personally as an old lawyer, it's actually not a bad number, but I appreciate some are more complex than others. Does the new government funding mean that you're getting some resources into that, and are you anticipating to be able to turn some of those over a little faster?

Mr Grant: Yes.

Senator McLACHLAN: How many current open investigations do you have since we last spoke?

Mr Grant: We have 14 relating to Basin Plan water trading rules and two on environmental water currently. Since I was last here, the team has closed four investigations. They were four into the water trading rules. They were closed due to an insufficiency of evidence on one occasion, and we didn't have jurisdictional remit on the other three.

Senator McLACHLAN: This might be on your web page, but are they broken down by state?

Mr Grant: Yes, we've got that for you.

Mr Blacker: In New South Wales, we've got eight. There's one that covers the ACT and New South Wales. Queensland has two, South Australia has two and Victoria has three. We can tell you what type of investigation each one of those is as well.

Senator McLACHLAN: That would assist me to get an understanding.

Mr Grant: In New South Wales, five are trade of tradable water rights. One is environmental water. One is information about water delivery and irrigation rights. One is trade in relation to information reporting requirements. The ACT is restrictions on trade of tradable water rights, as is one in Queensland. Queensland also has an approval processes for trade of tradable water rights investigation. South Australia has restrictions on trade of tradable water rights—there's one investigation there. There's one for water delivery in South Australia. In Victoria, we have two in relation to trade of tradable water rights and one trade information and reporting requirements investigation.

Senator McLACHLAN: From your perspective, are you seeing any trends? Are we coming off on some behaviours or are new behaviours are coming online as people adapt to the integrity measures?

Mr Grant: That's probably a little hard to answer. It's just a bit early, and there's obviously been some legislative change in September as well.

Senator McLACHLAN: I appreciate that.

Mr Grant: Probably at next estimates I can give you a better trend answer.

Senator McLACHLAN: Can you hold that thought for next estimates, because I'm genuinely interested. Thank you also for providing me with a heat map representing the data you give field officers. It's no surprise to me that the main issues are buybacks, the 450 gigalitre efficiency measure and the 605 gigalitre sustainable diversion limit. I probably could have guessed that. What's your interpretation of your field officers' reports, from your perspective? What are you learning from the field officers? Other than those grouped topics, what are you taking away from their reports?

Mr Grant: I get the field officers' reports through to Deputy Young, so I'll get her to elaborate. It's not only the community sentiment that we gather and we publish, et cetera, that you have access to; we also do internal monthly reporting to pick up sentiment for our operational decisions about tasking and deployment, where we need some people, for what reasons et cetera. Ms Young, are you able to assist in relation to the—

Ms Young: I might just get some more clarification on exactly what it is that you're asking.

Senator McLACHLAN: I'm interested—I can form my own view on what you've given me in what the field officers are sending through to you, but what's your perspective?

Mr Grant: I'll say that, in the last four months, that capture, 112 public engagements—that's the dataset that the information is coming from, to give you an idea. The themes are buybacks—not surprising; the 450 gigalitres; SDL; and deliverability—they're concerned about constraints in the system, most commonly the Barmah Choke and the Gwydir Raft. They're the two biggest issues at the moment. Trade water markets—and that relates then to buybacks. So some of the issues have got a couple of elements to them, if that makes sense—and water resource plans. We're always getting asked about the progress—metering, environmental water, river operations, trust and

confidence. So it's pretty much similar or the same themes; it's just about how many you get from month to month as to what's occupying their mind at the time.

Mr Blacker: To add to that, one theme that comes through and has done since we were established is scope. We are often engaging with people. They don't look through an agency lens or a remit or a jurisdictional lens. They have an issue and they want somebody to do something about it. So one of the challenges we have to work through quite frequently is explaining to people what our role is, where we fit and what our scope and jurisdiction is. A lot of the issues that are raised with us are often river operations or deliverability issues that sit outside our remit. They might be part of the Murray-Darling Basin Agreement, for example, as opposed to the Murray-Darling Basin Plan. So scope's a theme and an issue for us throughout.

Senator McLACHLAN: I have my usual question on your interactions with the SA river commissioner. Have you had any interactions and, if so, can I see the interactions?

Mr Grant: Senator, I have not.

Senator McLACHLAN: Thank you.

Senator PAYMAN: Good morning, and thank you for appearing. In your opening statement you mentioned that your next biggest challenge is workforce and employing the right people to do the important work you're doing. Can we get an update on how you hope to achieve that? Are there timelines? What are your recruitment strategies?

Mr Grant: It's a great question. One of the challenges we have is that we work in a very specialised industry, so there's not a big volume of people, first, to tap, or a big well of people. We don't offer the greatest salaries. We're outdone by the states and obviously private. It makes that difficult. We've got to make ourselves attractive for what we're doing—the type of work. A lot of the team are really passionate about what we're doing and the impact we're having. That's why they come for less money—because they believe in the mission and what we're doing. I'll get Deputy Young to help us with our current vacancy rate and what this means, but we will use every recruitment-type tool possible to try to find the right people and work with the department, because ultimately they're APS employees, through recruitment practices et cetera. We won't leave any stone unturned in order to get the best people and try to be inventive as best we can as well. I'd just give a big shout out here: we're the best place to work for and I'm the best boss, so come on down if you like water.

CHAIR: Do you want to say that again?

Mr Grant: One of the advantages we offer is the workplace flexibility. We are essentially across Australia. We have a lot of work-from-home arrangements. We have wonderful offices—about nine offices in total. We're regionally based, which is really important. We got five regional offices, which are well equipped and just really attractive. My team is awesome. You get to come in and work with some great people who really believe in what they do. We work really hard but we really enjoy each other's company as well. I'm not a recruiter. I don't know what else I can say.

Senator PAYMAN: Thank you, Inspector-General.

Ms Young: I will elaborate. Our vacancy rate is an interesting one. Currently it's around 20 per cent because we've been waiting for that budget announcement to determine whether we move forward with increasing in our oversight area. But our media and communications brand has a very strong presence on LinkedIn as well. We've been creating a lot of staff profiles and also profiles of what we do and the inspector-general does around the basin, and we'll continue to use that platform to share about what we do. We're also lucky to be supported by the department, which has a dedicated group of people and specifically recruitment branch. We have people in our team who coordinate but we actually rely on the department's much larger capabilities to run those recruitment processes and assist us with that as well.

Mr Grant: We're on YouTube and Instagram soon as well.

Senator PAYMAN: Excellent.

Senator DAVEY: Will we see you dancing on TikTok?

Mr Grant: That's no good for anybody, Senator.

Mr Blacker: One final point on that is that we recognise, too, that we're not always going to be able to bring everything in-house in our circumstances. The work that we do moves with time. We go where the risk and the priority areas are, so we might need different skills at different points in time. One of the things we've been doing alongside recruitment is actually partnering with a lot of tertiary institutions. We've spent quite a bit of time in the last six months in particular meeting with all of the people with water knowledge, expertise and experience within university sectors and other institutions and making clear to them what we do and what we might need,

understanding what they're working on and where we might partner. We call that the knowledge strategy as part of our business. It's not just recruiting capability in; it's also how we can partner to build capability outside.

Mr Grant: We access the department's intern program as well. We've had some cracking interns. Every one of them has been awesome. I think one or two have become permanent employees, which is all helpful.

Senator PAYMAN: Excellent. All the very best to you. Thank you.

Senator DAVEY: There were a couple of things that you said. Mr Blacker, you mentioned that your tracking of community sentiment was ongoing. A few years ago, metering was the top thing. You said it's coming down as you continue your work. What would be the highest issue that's being raised now? Is it still trade?

Mr Grant: Buybacks trade.

Senator DAVEY: That doesn't surprise me. On that list of investigations you've got going, a lot of those were trade related.

Mr Grant: It dominates our investigation space at the moment.

Senator DAVEY: Is that failure of people reporting or is it—

Mr Grant: Initially, as I've said at this estimates and I've also said at a Senate committee, it was a failure of the actual legislation. You remember my moron comment.

Senator DAVEY: I remember it very clearly—loopholes. In the restoring the rivers bill, one part of the bill that I didn't mind at all was that you've got more responsibilities with regard to trade now. Did that bill close some of those loopholes?

Mr Grant: Yes. The reasonable excuse part of the previous legislation was where most of our problems were—and the onus on the information being provided during the trades and where that's landing. They were the two key parts that just were inadequate. Our role in relation to trade is shifting. On 1 July we take on a new function. For a period of time until 2026, we have a hybrid of some of our current responsibilities before some of those move to the ACCC, for example, and the BOM. We'll eventually be very focused on the data enforcement and compliance that we work closely with the BOM on—what they provide us and we then enforce.

Senator DAVEY: Right—some of that BOM data. I just also wanted to come back to—you did say you had a current environmental water investigation ongoing. I have had raised with my office issues about, specifically, Toorale Station and the infrastructure on Toorale Station, leading to the allegation that the way the infrastructure has been managed over the last 12 months—actually, the claim is that it led to the Warrego being cut off. Has that been forwarded to you for review or investigation? Are you allowed to comment?

Mr Blacker: We have not received any referrals in relation to Toorale specifically. I'm aware of a number of general concerns that have come up, but they haven't been specifically referred to us. I am aware that the New South Wales regulator, NRAR, has received referrals and investigated particulars. I've been provided briefings from NRAR on those matters and the outcomes of those investigations on a state level. But, no, we have not received any.

Mr Grant: We were heading out there recently but couldn't access—

Senator DAVEY: Because of the rain?

Mr Grant: Because of the rain—but we're rescheduled to go out there.

Senator DAVEY: Okay. Would it be beneficial for my office to forward—

Mr Grant: You can come to us, absolutely, and we can talk to NRAR.

Senator DAVEY: If NRAR are investigating, is it a state-level thing?

Mr Blacker: It depends on what it is. We're always happy to receive information, and we'll just look at that and work that through.

Mr Grant: But if it's infrastructure related, it's definitely state.

Senator DAVEY: You also mentioned the issue of mistrust, and that is one of the areas of concern: people not trusting the system. Have you got an opinion as to what level potentially some of the failure to engage with communities well on projects might be having? I'm thinking of things like the Wilcannia Weir, Bourke and Louth weirs, where there are—it's a state agency issue. The communities are just feeling like they're not being listened to. That's building the mistrust which then flows over to every level of government.

Mr Grant: Absolutely. I went to Bourke and I've met with the mayor, the general manager and the director responsible for that area. That sentiment is absolutely clear. To the point that Deputy Blacker made earlier, a big

part of our role is explaining what we do and what we don't do. But, to your point, everything spills over and it's blurred.

Senator DAVEY: We're all government.

Mr Grant: Nobody cares if it's local, state or federal, essentially. One of the ongoing challenges we have is to be able to get people to understand what we have the ability and power to enforce or influence or impact and what we then refer to the appropriate jurisdiction to have that same outcome.

Senator DAVEY: With regard to investigations as well, one of the areas that this government prioritised when they came in was illegal structures. They said they were going to require you to do a review of illegal structures across the basin. Have you commenced that review?

Mr Grant: I don't think that's quite accurate as to what their commitment was. I think the commitment was that they wished us to take on that responsibility, which we didn't agree with.

Senator DAVEY: You said, 'No.'

Mr Grant: We would need a \$100 million budget enhancement and a massive amount of staffing to tackle that issue. We just don't have that remit. We don't have that capacity. It rightly sits with the states, in my opinion.

Senator DAVEY: Yes. In their five-point plan, they had 'ensuring the inspector-general leads a crackdown on any illegal structures that have been built in the basin'. But you've said—

Mr Grant: I can't.

Senator DAVEY: You haven't got the resources?

Mr Grant: No, not even—we've got way too much to do. I think that sits best with the states.

Senator DAVEY: Right. With regard to water trade and the information that needs to be publicly available, in your view, because people are now required—they have to report when they purchased and at what price it was purchased. It's not necessarily identified as 'Perin Davey went and bought X' but it is identified at this trade number. What timeliness do you think is appropriate? If I went into the water market and conducted, say, a permanent trade, what should the lag time be between my doing the purchase and its being reported or recorded on the register?

Mr Grant: Deputy Blacker has led all the trade stuff in rights and legislation, so he's better positioned to answer that than me.

Mr Blacker: There's quite a bit of work being done in this space, particularly by the department as the lead policy agency and the bureau in terms of building that system, to collect that data and what that's actually able to do. So there's a question about an appropriate and an ideal versus what's achieved.

Senator DAVEY: There are existing registers that have to record that information.

Mr Blacker: The short answer is that we would like it as quickly as possible. My understanding is that the goal of that work is near real-time, and they're looking at how close to real-time can they get, practically.

Senator DAVEY: So a lag of, say, 12 months between when a tender closes in May and when the reports are registered the following year might be a bit excessive?

Mr Blacker: I'd say there's a difference between the time, and I think we spoke about this at last estimates at length. There is a delay that is inevitable. That's a contractual and market process delay before things are an approved trade. What we're talking about is once it's an approved trade, how quickly can that information be provided. I recall stepping through that last time. There's a whole range of contractual steps before you actually get to a trade. Those are always going to be outside of scope, because they're individual to individual and they're commercial in nature.

Senator DAVEY: Is there an issue with that when people are monitoring the market and by the time a trade is reported after all the contractual stuff? You might go into the market today and the market might be \$2,000 a megalitre general security zone 10. You agree on that price today, but by the time all the contractual work is completed in six weeks for a standard conveyance, and legal processes, the market might have moved and it might have gone backwards or up. But it's reported that you paid \$2,000 and the market's now at \$1,800. Is there an issue with that or should there be a requirement, when you report, even though you report when all the contractual stuff is done, to actually report the strike date—the date the agreement was made?

Mr Blacker: There's quite a bit of detail that I suspect that the department will be able to provide to you in the next session—and/or the ACCC as well. They're in that market integrity and conduct space. One of the things that they're looking at is the dataset—the data specifications the bureau will work on and what trade data but also what pre-trade data needs to be captured in that so that particularly the ACCC, from 2026, can discharge that market

integrity function. They'll look not just at trade but also pre-trade. That's work that's being done at the moment. Those two agencies are best placed to give you detailed answers on that.

Senator DAVEY: Thank you.

Senator ROBERTS: You are probably in touch with more people across the Murray-Darling Basin than anyone else. This may be within your purview. What are farmers thinking still—I know the answer a couple of years ago—of the statement, 'Volumetric outcomes do not simply achieve better environmental outcomes'. It comes really back to the intent and the quality of use of the water, doesn't it, not just the volume of water?

Mr Grant: I think the sentiment is consistently the same. Every year I'm required to put out a work plan on what my priorities are for the year ahead—that's July now. It used to be August because that's when we were established, but it's July now. My work plan in July has targeted that issue.

Senator ROBERTS: Thank you. Just going on from where Senator Davey was, under the old Murray-Darling Basin Commission, there was a reputation for listening and consultation. When the name was changed to Murray-Darling Basin Authority, the tone changed dramatically and people didn't like it. Is there more consultation coming? The Murray-Darling Basin Authority has been criticised and has acknowledged that.

Mr Grant: I don't think I can comment. I haven't heard any evidence or feedback to give you an honest, evidence-based answer.

Senator ROBERTS: Thank you.

CHAIR: Thank you so much. It's always great to see you guys.

Mr Grant: You too, Senator. Thank you for having us.

CHAIR: It's great to see you get the money you required in the budget. We'll be watching keenly to see where your inquiries go. Thank you.

Department of Climate Change, Energy, the Environment and Water
Murray-Darling Basin Authority
Australian Competition and Consumer Commission

[10:07]

CHAIR: We will now move to Murray-Darling Basin Plan cross-portfolio matters. Mr Fredericks, would you care to make an opening statement?

Mr Fredericks: No, I'm fine. Thank you, Chair.

CHAIR: Mr Keogh, would you care to make an opening statement?

Mr Keogh: No, thank you.

CHAIR: Obviously, we have a suite of eminently qualified and informed people at the table for senators to ask their questions of. But I will just highlight that Mr Keogh, from the Australian Competition and Consumer Commission, will only be here for the next hour and a bit. So please prioritise your questions. We do have Mr Andrew McConville at the table from the Murray-Darling Basin Authority—the chief executive. He has the joy of spending much more time with us. I'd just put on the record that, in response to Senator Davey's question, the CSIRO will be in the next session from 11:30 and they will also only be here for an hour and a half.

Senator DAVEY: Thank you, everyone. I will focus on Mr Keogh given that we only have him for a short amount of time. Thank you, Mr Keogh, for coming in again. Under the restoring our rivers legislation that went through parliament late last year, you've got new responsibilities, some of which start on 1 July this year.

Mr Keogh: 2025.

Senator DAVEY: 2025—okay. The DCCEEW web page 'Water market reforms' says, 'From 1 July 2024, there will be new obligations on persons when providing information'. That's not the ACCC's purview?

Ms O'Connell: Senator, there are a range of reforms and different responsibilities, and it is a staged implementation, as you read out, with some of the reforms beginning in 2024. But, as Mr Keogh said, that is not for the ACCC. We can talk to the full suite if you wish, but if you wish to just continue with the ACCC's role, we're happy to do that too.

Senator DAVEY: Mr Keogh, can you outline what your responsibilities will be from 2025?

Mr Keogh: As you'd be aware, we have existing responsibilities under the Water Act, which predominantly focus on the adherence by infrastructure operators to the rules laid down in relation to, for example, transfers, terminations, et cetera, and water charges. As of 1 July 2025, we're anticipating the intermediaries code of conduct will be implemented, and we will have enforcement responsibilities in relation to adherence to that code.

That's the code that will govern, if I could use that word, the behaviour of intermediaries engaged in the water market—brokers and traders.

Senator DAVEY: Brokers and traders. I know what an intermediary is, but a lot of people following along won't. Water brokers and traders—there has been concern about them, although water brokers are actually very keen for this code of conduct to come in, aren't they?

Mr Keogh: Yes, they were quite supportive. The department might want to comment, but there's an engagement process occurring at the moment looking at the elements of that code, and the brokers are, as I understand it, very closely engaged in that process.

Senator DAVEY: Is the consultation underway in drafting that code or preparing that code for—

Ms Solomon: We've got a staged consultation over several years. We've commenced the targeted consultation with brokers and other directly affected stakeholders. We've got a series of workshops, which have just been completed, going through a discussion paper. But we also have scheduled an exposure draft that will be released in November this year. That will be open to the public. We also had a public webinar on 21 May, which was open to the general public. That went through the process, the consultation schedule and where we're up to with the reforms.

Senator DAVEY: So, to be clear, the exposure draft is due in November. That will be released, you'll have the submissions and commentary and then we'll be finalising it. So we're well on track to meet the 1 July 2025 deadline?

Ms Solomon: That's right.

Senator DAVEY: Not 2024.

Mr Keogh: Then the other functions that came with the amendments to the act or were strengthened were the market integrity functions. That's the insider trading and market manipulation obligations. They come into force on 1 July 2026.

Senator DAVEY: Conveniently after the government's done most their water purchases. That's just my sneaky, snide aside.

Senator McAllister: We're all going to take it in that spirit, Senator Davey. We can have an argument about it if you'd like or we could just—

Senator DAVEY: No, I'm fine, Minister. That's fine. With the insider trading and market manipulation, what work is being done preparatory to you expanding that?

Mr Keogh: The fundamental work associated with that is in relation to the topic you touched on earlier, which is the data and information disclosure requirements. That's the work that's underway at the moment with the various parties involved, and that will impose an obligation on market information—information both in terms of the nature of the trade involved and things like the strike date, the reason for the trade, the amount involved, et cetera. That work is all underway at the moment. The Bureau of Meteorology, through its data hub, will be the repository of that information. I'm not sure whether the bureau is here, but it's engaging with stakeholders at the moment in relation to both the data standards and also, obviously, the mechanism for having that transferred to a central location. Then that will provide us with the very important raw material so that, where there is a concern about, for example, insider trading, it'll be the analysis of that data that will be critical—not solely, but quite critical in terms of the ability to enforce those market integrity provisions.

Senator DAVEY: There are already rules around insider trading. I don't want people out there to think that's going on. But this will reinforce them, strengthen them and make them more transparent?

Mr Keogh: Yes. The rules as they stand at the moment are quite difficult to enforce if we should want to, because we would have to be able to prove, for example, in relation to insider trading, that someone was aware of an imminent announcement and that person either transferred that information to a participant in the market who acted on that information or acted on that information themselves and then benefited as a result of that. The evidentiary requirement to demonstrate that is quite difficult because, as you can imagine, it could simply amount to a conversation over a cup of coffee or a casual phone call. The evidence trail in relation to that communication is quite difficult. Then, on top of that, we'd have to be able to demonstrate that the party acted in the market to take advantage of that information. Given the nature of the market information as it stands at the moment, that, again, would be quite difficult to provide the evidence on. So, yes, that provision is in the act and we would take steps to investigate were we provided with credible evidence, but it is a difficult provision at the moment.

Ms Solomon: Can I just add that at the moment that's the provision that the Inspector-General of Water Compliance enforces. It's narrower in two ways to what will be the case from 1 July 2026. At the moment, it

primarily applies to Commonwealth and basin state agencies, but from 1 July 2026 it will have a much broader application. It will be modelled on the Corporations Act insider trading prohibitions, it will be more robust and will apply to more people, and there'll be a much better evidence base for the regulator to enforce it.

Senator DAVEY: You've already got responsibilities in water. You can investigate complaints, particularly when it comes to issues with contractor or complaints, when people refer complaints to you—particularly when it's an issue with contracts. Have you got any active investigations at the moment?

Mr Keogh: We have one active investigation. We've received six complaints in the 2023-24 year. Some of those are subject to further work, but one investigation is underway at the moment.

Senator DAVEY: Thank you.

Senator HANSON-YOUNG: Since the legislation passed at the end of last year, where are things up to with the New South Wales government—in particular, their infrastructure projects and where they're up to and how much money is being spent. I'd like a bit of an update in relation to New South Wales, given the commitments that the government made—in particular, in relation to Menindee.

Mr Fredericks: We'd need a change in personnel for that one—

CHAIR: Senator Hanson-Young, we have the ACCC here just for an hour. Then we have the CSIRO just for an hour and a half after the break, whereas the departmental officials are here all day. Can you just make sure you prioritise your questions. You can ask whatever you like, but if you have questions for those agencies, they're only here for a limited period of time.

Senator HANSON-YOUNG: I don't. I've got questions for the department.

CHAIR: It's up to you.

Senator HANSON-YOUNG: I'd like my questions in relation to New South Wales answered. I'd like an update on how negotiations are going with New South Wales—in particular, their infrastructure projects, the funding that has been announced in relation to that, and also the commitment that the federal government made in relation to making sure that the Menindee project will be dumped. Thank you.

Ms O'Connell: Senator, I'll just start and acknowledge that there is a process for amending projects now. As a result of the restoring our rivers legislation, there is the opportunity for states to amend projects. That didn't previously exist. I know that New South Wales are considering some of their projects, including Menindee potentially, around that area. I'd also point to the fact that, very recently, New South Wales withdrew one of their projects—the Yanco Creek project. Sorry, I mischaracterised that. The ability now for states to introduce new projects is the change in legislation. They had the ability to amend previously. They can now bring forward new projects. As a result, New South Wales has removed and withdrawn the Yanco project. They have let us know that they are planning to propose a new project, but they haven't yet done so.

Senator HANSON-YOUNG: So can you remind us how much that Yanco project was worth in terms of gigalitres?

Mr McConville: The 605 gigalitres that was characterised for the SDLAM projects doesn't identify on a per project basis because there are linkages between the two. So it's not possible to say with the withdrawal of the Yanco project that it will not account for X number of gigalitres.

Senator HANSON-YOUNG: Can we just call a spade a spade. We know how much New South Wales was needing to recover out of these projects. The conversations that I had with the minister and with the department at the time of these negotiations in relation to the legislation was clearly that Yanco would be dumped and Menindee would be dumped because they're bad projects—rubbish projects. I want to know how much water will now have to be recovered in another way because Yanco has been withdrawn.

Mr McConville: Senator, when we've done the assessments of progress over the last couple of years, the latest estimate we had was a shortfall of between 190 and 315 gigalitres. That does consider the low likelihood of delivery of both Yanco Creek and Menindee. Then that has flow-through implications for other projects as well. There's nothing that leads us to resile from that assessment, and it's at that upper bounds of a 315 gigalitre shortfall against the 605.

Senator HANSON-YOUNG: Where is the withdrawal of Menindee up to? We all accept that was rubbish.

Ms O'Connell: Senator, that's for New South Wales to bring forward—withdrawal of Menindee. I am aware that they are looking as well, as mentioned earlier, at a new project. As you said, they have withdrawn Yanco—they have formally officially withdrawn the Yanco Creek project at this point.

Senator HANSON-YOUNG: Maybe the minister could answer this. When do we expect the commitment your government gave to ensuring that Menindee would be withdrawn?

Senator McAllister: I am advised that the conversation at the time was an indication that it would be withdrawn if it was unable to be delivered.

Senator HANSON-YOUNG: We all accept it's unable to be delivered—or has the government changed their view and now think that it can be?

Senator McAllister: Senator, I'll ask the officials to talk through the discussions that are taking place with the New South Wales government in relation to infrastructure more generally, because I think that provides the context in which the Yanco project, other projects in New South Wales and prospective projects in New South Wales might be being contemplated.

Ms O'Connell: Senator, in terms of the Yanco withdrawal, that has happened. New South Wales moved fairly quickly to do that post to the passage of the legislation. I know that New South Wales are looking at a new project to be notified. We're yet to see what that project involves and the scoping of it. They are actively reconsidering, obviously, the Menindee project and what should happen with it.

Senator HANSON-YOUNG: This new project has obviously been flagged at some level—is that with the department or is this publicly? Where are you getting this information?

Ms O'Connell: The requirement is that any new projects and withdrawn projects and/or modifications of projects need to go through the Basin Officials Committee. That is all basin jurisdictions and the Commonwealth. That's the process for doing that.

Senator HANSON-YOUNG: Has this new project been to the basin committee?

Ms O'Connell: Not yet. We've been notified that they intend for us to consider—

Senator HANSON-YOUNG: Can you remind us of the time—

Senator McAllister: Ms O'Connell hadn't quite finished her answer. You were saying you've been notified?

Ms O'Connell: We've been advised that New South Wales are going to bring forward something for the Basin Officials Committee to consider.

Senator HANSON-YOUNG: Okay. What's the time frame on when withdrawals would need to be complete in terms of ensuring that's done for Menindee and when new projects need to be put forward?

Mr Ward: New projects can be brought forward by states to be notified by 30 June 2025 under the legislation. Just to elaborate on what Ms O'Connell said, work is already underway to identify potential new and amended projects. That started last year before the bill even went into parliament. We sought community ideas for a range of new initiatives to achieve Basin Plan targets. We worked through those ideas and worked with our basin state colleagues to assess them. We considered that there were eight potential or amended projects that had potential to contribute to the target. So these are just ideas—preliminary. That information was published in January on the department website.

Senator HANSON-YOUNG: I'm interested as to what's happening with water resource plans in New South Wales. We know they've been dragging the chain for half a decade. Where are we up to?

Mr McConville: At the moment, there are 14 of the New South Wales water resource plans accredited. Two are still in assessment and four remain with New South Wales.

Senator HANSON-YOUNG: You may need to take this on notice. I want to know what progress has happened since December to now, specifically in relation to the New South Wales water resource plans.

Mr McConville: We're happy to take that on notice and come back to you with the details in terms of the progress that's been made. We can also answer now if you want.

Senator HANSON-YOUNG: Okay, if you can give the answers, that's great.

Mr Goodes: Since we were here in February, there have been four more water resource plans accredited for New South Wales: the Lachlan, the Murray and Lower Darling, the Murrumbidgee and the New South Wales Border Rivers water resource plans have been accredited. Assessment has been underway with the Macquarie Castlereagh and the Barwon Darling Watercourse. There has also been movement on the remaining four plans, which relate to the Gwydir and the Namoi areas—one each for surface water and groundwater. Three of those plans were submitted to the authority. The two groundwater plans were considered by the authority in March of this year. Following that consideration and assessment, the authority issued New South Wales with what's called a notice of grounds. That's an articulation of the grounds on which the authority considered those plans did not meet

the requirements and, therefore, they would be advising the minister not to accredit those plans. That's a part of the process to give the state the opportunity to respond.

Following those discussions and that notice, New South Wales withdrew those two groundwater plans and also, by extension, withdrew the Gwydir surface water draft plan and are back in what we call assistance phase. They're remedying the shortfall which related to part 14 of the water resource plan, which is the reflection of First Nations values and uses. The Namoi water resource plan was not with us. While it has the same issue, it also has a bespoke issue related to the surface water model in the Namoi, which is also being resolved. So both of those—there are two themes across the four plans.

Senator HANSON-YOUNG: People could be forgiven for thinking that this is a strategy of New South Wales to put forward subpar water resources plans and then you go back and say, 'You know what? It's not good enough. Clean up your homework'. How do we stop this delay tactic?

Senator McAllister: We are not in a position to draw conclusions about motivations for the New South Wales government, but officials can talk to you about the work that is underway to resolve the issues that have been identified in these four plans in particular and any of the other outstanding work.

Senator HANSON-YOUNG: I guess the purpose of my question is: how do we stop things just never getting finalised so business as usual can keep running riot in terms of using this water resource? At what point do we go, 'Not good enough—this is what you're going to have to do'?

Mr McConville: Senator, we continue to work as hard as we can with New South Wales, providing all the advice and the assistance. It has been, I would say, a much more positive process than perhaps it historically has been. We have made significant progress over the last two years. I think we're confident that we can continue to work with New South Wales. The particular issues—the chapter 10 part 14 issues—are difficult ones to resolve. But the engagement with New South Wales is good, and we'll just have to keep working with them. I can't speculate as to how long that's going to take, obviously, but it is very positive engagement that we're having with New South Wales. We regularly have New South Wales officials come forward to the authority, which has been a new initiative to ensure that there's as much transparency there on progress as we can. The authority did write to Minister Jackson last year seeking assurances around the intent to address those issues, and Minister Jackson's replied. That response is publicly available on our website. We are seeing good signs of progress. The particular issues with the four outstanding WRPs have been really complex to resolve, but it's certainly the best level of engagement in my short tenure here that I've seen, and we're hopeful of trying to get to resolution with them on those.

Senator McAllister: To that question, Senator, I understand that two years ago none of the 20 plans were accredited. We're now at 14 out of the 20 that are required. You weren't here for the evidence provided by the Inspector-General of Water Compliance, but he indicated in his opening statement and in subsequent testimony that he'd met with the New South Wales minister to understand the issues in relation to the four water resource plans that have just been discussed. He specifically said, 'I acknowledge the progress, especially the work being driven by the New South Wales water minister—a far cry from her two predecessors. I look forward to all of the 20 plans being accredited forthwith'.

Senator HANSON-YOUNG: Thank you.

CHAIR: Mr Keough, you received additional funding of \$5.7 million in the budget. Is that correct?

Mr Keogh: I believe that's the correct number.

CHAIR: Could you tell us what that was for?

Mr Salisbury: That money is going to really allow for an expansion of some of the roles that the ACCC found that we're going to take on as the legislation formed throughout 2023. It's going to help us with legal resources and enforcement resources in the way we've been able to handle and receive complaints that will come into us. There's some investment in some infrastructure technology as well.

CHAIR: Great. Thank you. That was the only thing I wanted to know about.

Senator ROBERTS: Thank you for being here, Mr Keogh and staff. Could you tell me something to describe your interactions with or working with the Inspector-General of Water Compliance, please.

Mr Keogh: We work in a number of ways with the inspector-general. We have a series of interlocking, if you like, responsibilities in relation to the current market and the way the market will be under the new regulations and legislation in the future. I'll pass to Mr Salisbury, who is directly involved.

Mr Salisbury: We meet regularly. With the work the department is leading, there are some forums where we meet quite regularly with the inspector-general, the Bureau of Meteorology and the department as well. I'd say the relationship is reasonably close.

Senator ROBERTS: So not quite daily, but it is involved operations?

Mr Salisbury: Yes, that's correct.

Senator ROBERTS: As well as planning for the future?

Mr Salisbury: Correct.

Senator ROBERTS: What about your relationship with the Productivity Commission? Specifically, have you worked with them on their work that led to their request for a recommendation for greater transparency in a registry of water trades?

Mr Keogh: Yes, we engage quite closely with the Productivity Commission. They have a number of functions and processes underway at the moment, and we meet very regularly with them and exchange information and views about particular issues with them as well.

Senator ROBERTS: Do you make recommendations to the Productivity Commission?

Mr Keogh: We've made submissions to their various processes. We don't, in that sense, make recommendations, but they're submissions with proposals in them that they can consider.

Senator ROBERTS: So they're more in the form of requests and working closely with them on all aspects?

Mr Keogh: Yes.

Senator ROBERTS: Thank you.

Senator McLACHLAN: I have questions in relation to complaints under consideration. Thank you for your response to my questions on notice. From my reading of it, from 2021 to 2024, you only really have one matter that's still under consideration. Is my understanding correct?

Mr Keogh: No. One matter has advanced to the stage of a formal investigation. There are another five matters where we've had complaints raised with us, and they're in preliminary stages of considering.

Senator McLACHLAN: Is that from when we last met here or is that from—

Mr Keogh: That's for the 2023-24 year.

Senator McLACHLAN: Right.

Mr Keogh: I think last time we met we might have referred to the level of complaints we had in the 2022-23 year, which was four.

Senator McLACHLAN: Yes, that's right. So, just for my edification, we've got one that's gone to the higher level of consideration. Currently before you, you have, at the moment, complaints. How many complaints do you have that you're currently considering?

Mr Keogh: In the 2023-24 year, we've had six complaints, one of which is at the investigation level.

Senator McLACHLAN: In that period of 2023-24, how many complaints have been received and resolved? What number is that?

Mr Salisbury: Several have been. We'll actually get the precise number. What we could perhaps give you, Senator, on notice is a point in time. So we've given you a view of those various categories.

Senator McLACHLAN: I'm just coming from the point of view of the volume of complaints and where it's coming to you as your role evolves. I'm just trying to put a bit of a line in the sand in that there's the legislation that empowers you and otherwise. We'll see how the market reacts to your involvement. That's the perspective I'm coming from. With the resolution of complaints—and you might need to take this on notice—were they resolved as in maybe not enough evidence or not substantive or outside jurisdiction? I'm interested in whether they were coming to you but were not within your current purview.

Mr Keogh: We've had another six inquiries on that latter point—in other words, trying to understand where responsibilities for certain things lie. Of the six complaints that have come to us, as distinct from inquiries, a number of them involve contractual disputes between parties in relation to water trade. They're always, as you could imagine, matters where we have to hear both sides, if I could put it simply, before we can decide whether there's merit in pursuing further. A number of the matters that have been brought to our attention this year have been contractual complaints between two parties. They are at various stages of seeking a response from both parties, trying to understand what information is available and determining whether, in fact, there's a breach of the act there. Some of the other ones involve a complaint against an infrastructure operator—for example, it may be

an allegation that there were impediments put in the way of a trade or there were fees and charges applied that shouldn't have been applied by the infrastructure operator. They are ones where we would pursue them and get to the bottom of what happened and seek information. If it goes a step further, we can then use our information-gathering powers, for example.

Senator McLACHLAN: Could you take on notice to distribute that by state and type at this moment in time and then for the year to date? Is that a fair request from a data perspective?

Mr Salisbury: Yes, we can take that on notice.

Senator McLACHLAN: It's to give me an understanding of the workflow, which is really what I'm looking for. This is my usual question: have you had any interaction since we last met with the SA river commissioner?

Mr Salisbury: Not to my knowledge.

Senator McLACHLAN: Could you take that on notice if that did occur if it comes to your attention later?

Mr Salisbury: Yes.

Senator McLACHLAN: Thank you.

Senator DAVEY: I have just a couple of follow-ups. When you did your very comprehensive review into the water market, one of the issues that you identified was the irrigation infrastructure operators, because trades that occurred within their bulk water licence do not appear on the existing state water registers. Will the new regulations resolve that issue?

Ms Solomon: What the act and the regulations will do—it's about eligible tradable water rights. That includes irrigation rights and rights that are traded both outside and inside irrigation operations. That will be part of the water market data standards, and that is one of the key aspects of the reform.

Senator DAVEY: This question might be to the department, too, then. Will the irrigation infrastructure operators need to upgrade their systems? Have there been any conversations had with them about what they might require to do that and whether there is any support available?

Ms Solomon: Sure. There definitely have been a lot of conversations with them. That data and systems part of the reforms is being led by the bureau. I understand that they are undertaking face-to-face consultation with over 40 data providers for the new provisions. The bureau is committed to working with data providers individually on how they can best input the information to the new water market data hub, and there's over two years of lead time for that. There's no budget allocated to support IIOs to do that, but the department and the bureau are committed to minimising regulatory burden through things like—we've got a number of consultations on regulations scheduled over the next two years. That's outlined on our website. That will include how we can minimise regulatory burden while still maintaining the objective of the regulations, which, of course, is transparency. Of course, the work that the bureau is doing—we're looking at things like frequency of reporting for smaller IIOs. There's a lot of work that we're doing on that front with the bureau.

Mr Keogh: Senator, I don't know whether this is behind your question, but you may be aware, for example, that one infrastructure operator has advised its members it won't be operating its trading platform.

Senator DAVEY: I was not aware.

Mr Keogh: They put a letter on their website which explained. It basically said, 'The information requirements now, the new obligations and the potential responsibilities that would fall on directors mean that we will no longer provide the trading platform that we have previously provided'. I think it was quite sensible. I thought it was a very well explained rationale, and they also pointed to the improved water market information that would be available as a consequence and therefore wouldn't leave their members any worse off. So that's a very good—

Senator DAVEY: If an IIO is operating a trading platform, that means they're a water market intermediary. So they would have to be compliant with the code of conduct when that comes into play in 2025. They've taken a proactive step to avoid that and concentrate on water delivery rather than facilitating trade—that's very interesting. Just getting back to complaints, Mr Keogh, you've got the six there, and I know you've taken that on notice. Thank you very much. Are you expecting an influx of complaints when the new regulations come into play until people get used to them?

Mr Keogh: Yes, but I would also observe that, in our experience, the level of complaints or at least information coming in to us increases substantially at different phases of the water market. Were we to run into a period of limited supply and much higher prices, I wouldn't be surprised to see an upturn in concerns reaching us about particular situations.

Senator DAVEY: Just generally, because I know you can't speak about specifics when they're under investigation, in past dry times of limited supply there have been a lot of anecdotes about market manipulation. Your water market review found little concrete evidence, although you were at pains to say that was based on the information you could get. Do you think that, with the new regulations that will come in, that will calm and help address some of the misperceptions that are out there?

Mr Keogh: Just going back, when we looked in detail at water markets and their performance, we were able to piece together information over an 18-month period immediately preceding our inquiry. That involved a very major data-matching operation involving some six million records just to put that together. That was why our response in relation to concerns about water market integrity was qualified—simply the effort of collating all the various sources of information we had and then matching them to create a comprehensive picture of what was happening in the market was very difficult. That led to our recommendation in relation to the data disclosure obligations and the intermediaries code.

We would anticipate that, once that is operational as of 1 July 2026, we will be able to have a much more transparent picture of behaviour in the market and also a much more transparent supply of market information to inform participants. I think that is very important in terms of market confidence. In any other market we look at, that provision of market information is critical to participants being confident in how they operate and the decisions they make. It's our very strong belief that will be a critically important step in ensuring this much greater confidence in the integrity of the market.

Senator DAVEY: It will make your job of investigating a lot easier than it currently is.

Mr Keogh: Absolutely—yes.

Senator DAVEY: This question might be for the department. How are the states going in their preparations to be able to feed in and have them more open and transparent? The states own the water registers.

Ms Solomon: Yes. We do meet with them regularly. I just actually met with them this week. Really, the data system uplift is something that—consultation has begun with the bureau. That began earlier this year, and that is ongoing. I should add that, in addition, they have signed a data-sharing agreement with the bureau so that they can provide that information—the data that they have—to the bureau up to a year earlier than it's required by the legislation so that the bureau can test their systems and so we can iron out any difficulties and just minimise the risks of issues on commencement.

Senator DAVEY: That's good. The states usually want funding to do all of this. Is there a new funding agreement for the states to upgrade their water registers or is that conversation still ongoing?

Ms Solomon: It's still ongoing.

Senator DAVEY: That's fine. Thank you.

CHAIR: Thank you so much, Mr Keogh. We will release you.

Mr Keogh: Thank you.

Senator HANSON-YOUNG: I've got some more questions about New South Wales and also in relation to the National Water Grid Fund. One of the topics and issues of discussion, of course, in relation to the passage of the legislation at the end of last year was changes from New South Wales in relation to the rule changes that were expected, particularly in relation to environmental flows in the northern basin. Ms Connell, you would remember we had quite a bit of back and forth in relation to the rules in terms of environmental flows in the northern basin. There was a lot of talk and a lot of promise around how New South Wales may change those in order to deliver better environmental outcomes. What's happened there? Have there been rule changes? I'd like an update in relation to that.

Ms Connell: There has been progress. New South Wales has established an independent panel process to review a quite comprehensive scheme of proposed rule changes across, I think, five or six catchments in the northern basin. At the end of last year they established an independent panel led by their Natural Resources Commission. That panel, from memory, published an interim report in April. It's available publicly. It's been the subject of various public webinars and ability to provide submissions. I understand the final report from the panel is due by the end of June. That report and process is a New South Wales government process. The report is to the New South Wales minister. I understand the next step is for the New South Wales minister to consider the recommendations of the independent panel around the progress of potential rule changes. Then the next stage would be for New South Wales to make amendments to their water sharing plans. I will just note that we are tracking the process closely, but we're yet to receive a formal submission from New South Wales in relation to rule changes. But it is progressing.

Senator HANSON-YOUNG: So the final report is due, I guess, in a few weeks then—by the end of June. That report, we assume, will make some recommendations. The minister will consider what that means in terms of potential rule changes. Did the federal department or any of our agencies feed into that independent panel? Was our expertise, as the Commonwealth jurisdiction, asked for?

Ms Connell: The department obviously had discussions with New South Wales. We got a briefing from the panel. I would have to refer the question to the Murray-Darling Basin Authority about whether they have provided information as part of the assessment process. I know New South Wales has done a lot of work around hydrological modelling and new climate scenarios. We understand they've commissioned some socioeconomic analysis and looked at ecological indicators.

Senator HANSON-YOUNG: So that I'm clear, from the Commonwealth department's perspective, no formal submission was made to this independent panel, but there has been a briefing of sorts?

Ms Connell: That's right. To be clear, it's a New South Wales proposal. It's work that they have been doing, I think that's for three or four years now off the back of regional water strategies in response to the last drought. They've looked at new climate projections to identify what kind of rule changes should be made to improve environmental outcomes in the Northern Basin. So, it's very much a New South Wales driven process, but we're obviously watching it because there is the potential, if held environmental water entitlements can be created, for those to contribute to the 450 target.

Mr McConville: Yes, we received briefings, but there was no formal request for input from the MDBA.

Senator HANSON-YOUNG: What's the expectation of the rule changes proposed? You've had a briefing. There's been sharing of information. What's the expectation of what this will mean in the wash-up?

Ms Connell: I'll get Ms Solomon to walk you through what the rule changes would do and lead to on the ground.

Ms Solomon: As part of the Restoring Our Rivers Act last year, a new category was created of additional held environmental water; that is held environmental water that couldn't contribute to the 450 target, and it has a number of criterion that must be met. These include that it has to be an entitlement. A rule change on its own isn't enough. It has to be an entitlement, and it has to be water that is transferred from the consumptive pool to the environmental pool. If New South Wales were to submit a proposal to the Commonwealth under the 450 recovery target to be additional held environmental water, they would need to go through a process in New South Wales of creating an entitlement that is real and is made out of the savings made through any proposed rule changes in their water sharing plans.

Ms Connell: That outlines the enabling framework in the legislation that allows for rule changes and how it would be implemented. I really refer to the independent panel report. It's a New South Wales product that's publicly available in terms of this specific instance, proposal, et cetera.

Senator HANSON-YOUNG: The report is being finalised in June. Do you expect that will be made public immediately? When will we see it? I understand that's up to New South Wales, but surely you must have some idea?

Ms Connell: Yes. But the information on their website indicates that the report will be published at some point, so that's obviously a question for New South Wales.

Ms O'Connell: And it would indicate obviously New South Wales has put out—

Senator HANSON-YOUNG: The initial report? The interim report?

Ms O'Connell: Yes.

Senator McAllister: I'm looking at it now.

Senator HANSON-YOUNG: Sorry? I can't hear you very well, Minister.

Senator McAllister: Sorry. I'm close to the microphone. I'm speaking in my normal tone.

Senator HANSON-YOUNG: Maybe it's all of the noise out there perhaps.

Senator McAllister: Maybe we could turn up the microphone. I was simply going to observe that it has as many as 33 findings in just the interim report. There's a lot of information in the public domain that you could draw on, but officials are a little constrained because it is work being undertaken in another jurisdiction.

Senator HANSON-YOUNG: I have questions in relation to the National Water Grid Fund. I don't know if you need to change personnel?

Senator McAllister: We do. They're available to us here.

Senator HANSON-YOUNG: Outlined in the budget under the National Water Grid Fund section there's \$119.6 million over six years for five construction projects. I'd like to know what they are?

Mr Simpson: Construction projects haven't yet been announced. They'll be announced by the minister in due course.

Senator HANSON-YOUNG: How do you know they're going to cost \$119.6 million?

Mr Simpson: Costings are based on proposals submitted by states and territories, which have detailed estimates, including the Australian government requested funding and partner contributions.

Senator HANSON-YOUNG: That's a very specific number, \$119.6 million. You know there are five of them, but you don't know what they are? I'm trying to understand this. I would like to know what they are and understand how we get to that figure.

Ms Wall: We do know what they are, but the government at this stage has decided not to announce them and we shouldn't pre-empt any government announcements with respect to those projects.

Senator HANSON-YOUNG: So, they're secret still? Where are they? Can you tell us where they're going to be?

Ms O'Connell: No. The government will make a decision about announcement of the projects.

Senator HANSON-YOUNG: You're not keeping this secret because of cabinet-in-confidence? It's simply that you don't want to disrupt the minister's announcement strategy?

Mr Fredericks: You know what's happening here. The government has funded five projects. It has the right to announce it when it sees fit. We as public servants do not have the right to compromise that decision by government.

Senator HANSON-YOUNG: Minister, are you seeking a PII claim in relation to these projects?

Senator McAllister: Why don't I take on notice your request for information and that will allow a conversation with the minister about the approach that she would prefer in relation to it. I think that's all I have.

Senator HANSON-YOUNG: That's okay. I'm pre-empting that I'm going to get the same response for the \$26.1 million over three years for First Nations infrastructure projects. But maybe not?

Ms Wall: Certainly, yes, you are.

Senator HANSON-YOUNG: I understand, Mr Fredericks, that your public servants don't want to pre-empt your minister, but this is budget estimates. These items are funded in the budget. Clearly you must have the details of these? I find it a bit frustrating that the one opportunity we get as a parliament to inspect the budget is today and we can't actually get the information.

Senator McAllister: As you'll know, it's a very longstanding convention in the Senate that matters that have been the subject of cabinet deliberations, matters that may impact on the relationships between the Commonwealth and the states are commonly accepted as a basis for not publicly providing information. I will take your second question in relation to the specifics of the Indigenous community projects also on notice, and we'll see what can be provided.

Senator HANSON-YOUNG: Are we able to shed any light on the \$18.1 million over four years for nine business cases?

Mr Simpson: Yes. Do you want me to read them out?

Senator HANSON-YOUNG: Yes, please.

Mr Simpson: There's \$2.5 million for investigating—

Senator HANSON-YOUNG: Bingo!

Mr Simpson: regional scale supply to improve water security for towns in the far north coast region of New South Wales. There's \$1.5 million for Bermagui water security preliminary business case; \$200,000 for the Orange purified recycled water treatment demonstration plant in New South Wales; \$200,000 towards the Tabulam water supply detailed business case in New South Wales; \$1.1 million towards the Mitchell system water security detailed business case in Victoria; \$750,000 towards the Wangaratta water security and supply preliminary business case in Victoria; \$5 million towards future water security for the lower greater southern town scheme preliminary business case in Western Australia; \$4.6 million towards the northwest water supply scheme detailed business case in Tasmania; and \$2.3 million towards the Ord River expansion to the Northern Territory.

Senator HANSON-YOUNG: What was the name of the Northern Territory one?

Mr Simpson: The Ord River expansion.

Senator HANSON-YOUNG: Does anyone have any details on that? Can you explain what that is?

Mr Simpson: For the Ord River currently the irrigation area draws from Lake Argyle. The current area that's serviced is in WA. There is an area that's set aside for agricultural development across the Northern Territory border, but there's currently no water infrastructure to transport water from WA side back across to the Northern Territory. There was a preliminary business case completed last year, which investigated I think it was 12—I might be wrong—options and shortlisted three preferred options for further development. That's been undertaken by the Northern Territory in consultation with WA.

Senator HANSON-YOUNG: So, this money is for the business case. I'm starting to wonder at what point does this trigger a further reference to the environment department in terms of EIS assessment?

Mr Simpson: Our expectation would be that the detailed business case would finalise the preferred option and, once that is known, should the Northern Territory wish to proceed with a project they'll need to go through that approvals process as part of financing and further progress development before seeking funding towards construction.

Senator HANSON-YOUNG: In terms of that water being used for agricultural purposes, what type of agriculture are we talking about?

Mr Simpson: There's been significant change in agriculture throughout the Ord irrigation area. There is certainly some interest in pursuing cotton. I was up there in 2022 and met with a farmer who I think had been through 14 different crops over his family's lifetime in the Ord. So, there's significant change.

Ms O'Connell: But I think also that would be a deep part of the business case exploration.

Senator HANSON-YOUNG: The reason I've pinpointed this one is I am concerned about the expansion of cotton in the Northern Territory. I've written to the environment minister about this already—the illegal clearing of bushland that's taken place, deforestation, the clearing of native species without getting permits, without any approval. I'm also now concerned about what that means for water resource.

Mr Fredericks: You've raised those issues with the other parts of the department. We understand your concern. You know there are shared proper processes being followed about that. I think we've maintained a discourse with you about that—so, legitimate. In the same way, these water projects will be subject to the scrutiny you'd expect through the environmental system from the department.

Senator HANSON-YOUNG: I'm a bit disappointed that the minister hasn't been strong enough on this illegal land clearing in relation to these cotton farms. If we're now funding a business case to see if those cotton farms can be irrigated it all seems a bit murky to me. Maybe just on notice, Mr Fredericks, if there's any other information in relation to that illegal land clearing issue for this potential cotton expansion that the department wants to give me, I'm happy for you to take that on notice.

Mr Fredericks: Fair enough. I will take that on notice. I can give you an assurance that will reflect to you the seriousness with which both the department and the minister are approaching these concerns.

Senator HANSON-YOUNG: I don't know whether we will get answers or not in relation to this, that is, the \$10.7 million over three years for the science projects. Do you have details of those or are we falling into the same category?

Mr Simpson: There's \$400,000 to investigate the impacts of parameter uncertainty in stoichiometric models on system yield in New South Wales; \$1.3 million for electrochemical nitrate and heavy metal removal plant in WA; \$420,000 for electro dialysis reversal research in WA; \$80,000 to pathogen removal in electrochemical treatments in WA; \$100,000 towards UV disinfection using LEDs in WA; \$590,000 towards the beneficial use of brine in small and First Nations communities; \$1.9 million towards desalination subsurface intakes in WA; \$190,000 for EcoVAP Evaporative Matrix in WA; \$160,000 towards solar powered desalination with recycled membrane work in WA; \$2 million towards ensuring water security, economic prosperity and nature positive outcomes for the small coastal township of Elliston in South Australia; \$2.3 million towards rainfall, runoff and recharge in South Australia; and \$1.3 million towards Tasmanian catchment yield science update.

Senator HANSON-YOUNG: I'm glad we got to some other states, because otherwise it really sounded like this was the WA fund.

Ms O'Connell: A lot of those research projects go to being able to deal with the challenge of providing drinking water in remote communities. Many of those projects are oriented with different scientific technology and methods to being able to have safe drinking water in remote communities.

Senator HANSON-YOUNG: Are the WA, South Australian and Tasmanian governments feeding into any of those projects or is this all just federal funding?

Mr Simpson: No, there is state or other funding on all projects except for one in South Australia.

CHAIR: We will now break for morning tea.

Proceedings suspended from 11:16 to 11:32

CHAIR: We will now resume with the Murray-Darling Basin Plan Cross Portfolio matters and we are also welcoming the CSIRO at this point. I will note, Dr Mayfield, that this is your first time before this committee in this environment. Thank you for making yourselves available. Senator Chandler.

Senator CHANDLER: I have a couple of questions about irrigation funding in Tasmania, if the relevant officials could come to the table. The Labor member for Lyons told the Hobart *Mercury* on 22 May that he was quote 'blindsided' when there was no funding for the Greater South East Irrigation Scheme in the federal budget. Why has the department blindsided local farmers, the Tasmanian government and even the government's own local member by failing to commit funding for this high-priority project in Tasmania?

Senator McAllister: Mr Mitchell, of course, is an excellent member for Lyons, and his own contribution speaks for itself. He has been an advocate for this scheme and he says, 'I am the local member for Lyons and I believe very much in the South East Irrigation Scheme. It's a terrific scheme.' That business case has been put forward to the federal government and it was considered as part of the budget. I'm advised that it wasn't quite ready for approval at this stage. I think that's probably the main point that we'd make, is that we have deferred making a decision on this project at this time. The department is continuing to review the project's business case and proposal and will provide further advice on key aspects that we are keen to understand in more detail. The government would welcome a revised project proposal for consideration in a future budget process.

Senator CHANDLER: You say the project is not quite ready for approval, Minister, and I'm happy for officials within the department to respond to this as well. What does 'not quite ready for approval' mean? What are you waiting on from the Tasmanian government? I understand from the Tasmanian state government's perspective, from Tasmanian Irrigation's perspective, and from local stakeholders in the Coal Valley in particular, this project is a slam dunk. It is ready and should be funded now.

Senator McAllister: I'll ask the officials to step through the nature of the project and the work that we understand is presently being undertaken by the government.

Mr Simpson: As part of our assessment process, we consider a business case and the proposal and we look for the alignment of a project with the investment framework, which looks at details, some strategic objectives, investment principles and eligibility criteria. We also consider broader alignment with government priorities, and our assessment looks at strategic fit, deliverability and impact of projects. So, whilst the business case is complete, we're keen to understand how the project, as a water infrastructure project, can deliver benefits both for local irrigators but also more closely aligned with some of the government's other broader priorities, whether that be in a circular economy sense, an H-positive sense, a net-zero sense, delivery for First Nations people. We will continue to liaise with the Tasmanian government and departmental officials to look at how that project can more closely align and deliver a broader set of benefits and outcomes.

Senator CHANDLER: Is your current concern that the project as submitted under the current business case doesn't align with the government's priorities? You've got your local member saying, as the minister said, that he's a strong advocate for the project, he backs it in, but the government saying it doesn't align with priorities or it needs more information to figure out if it does.

Mr Simpson: I think there's a request for additional information. It's also important to consider that the National Water Grid Fund only has a finite amount of funding through budget. There were 67 proposals received that sought more than \$600 million in funding. That's more funding than government has chosen to commit to new projects. So, it's not possible to fund all water infrastructure projects that are out there or that we receive requests for funding for.

Senator CHANDLER: I'd certainly hope that Tasmania is still going to get its fair share of water infrastructure funding.

Senator McAllister: The government has already committed \$270 million to Tasmanian water infrastructure projects. That includes \$109 million to the Northern Midlands Irrigation Scheme, \$62 million to the Sassafras Wesley Vale Irrigation Scheme Augmentation, and \$26.3 million towards the Don Irrigation Scheme that was officially opened last year.

Senator CHANDLER: Minister, I think you'll find some of that funding committed under the previous government.

Senator McAllister: I think you will find that, since the 2023 budget inclusive, Tasmania has received amongst the largest investments in water infrastructure.

Senator CHANDLER: What additional information has the department requested from the Tasmanian state government? What do we need to be able to demonstrate that this project is ready to go?

Mr Simpson: We have a meeting scheduled with Tasmanian officials and Tasmanian irrigation officials in the coming weeks, and we'll discuss in more detail with them in person then.

Senator CHANDLER: Did the Labor member for Lyons seek any briefings from the department or from the minister's office in relation to the funding of this project? Or did the minister just fail to consult with a government colleague?

Ms O'Connell: I think that's a matter for the minister in terms of the reflections you've made there about briefing sought or not sought.

Senator McAllister: I'll take that on notice, Senator Chandler. I don't have all of the minister's diary details with me.

Senator CHANDLER: Is the department working directly with the Tasmanian government to ensure that this vital project can commence as quickly as possible, or are we going to have to wait for the next federal budget, whenever that may be, for this scheme to get fully funded? Is there any capacity for the scheme to be funded between now and next April or May, whenever the government is planning on having its budget?

Senator McAllister: The information that I have is that the government would welcome a revised project proposal for consideration in a future budget process, including at MYEFO later this year, if that remains a priority for the Tasmanian government.

Senator CHANDLER: So, we've got to wait for MYEFO or for the next federal budget for this project to get funded in a situation where the Tasmanian government has put forward the business case saying, 'This is ready to go. This stacks up.' It's a long time for farmers to wait when Tasmanian Irrigation has said they're targeting October 2028 for the commencement of this scheme. Another six months to wait is a long time for these farmers.

Senator McAllister: I've indicated to you that the government has deferred making a decision on the project at this time but would welcome a revised project proposal for consideration in a future budget process.

Senator CHANDLER: Obviously there's something lacking on the proposal that needs to be fixed.

Mr Fredericks: On behalf of the department, the witness has said that we're meeting next week, I think, with the Tasmanian government. We'll certainly lean in very strongly. That's a perfectly reasonable way to take forward a project of this scale, of this complexity. That's a commitment we have to the Tasmanian government, to work very closely with them.

Senator CHANDLER: My understanding is the Tasmanian government put this business case into the federal government some months ago. At what point did the federal government identify that there might have been issues, that it didn't tick the boxes that the federal government wanted it to tick? Was there time to go back to the Tasmanian government before the most recent budget was handed down to iron out these issues in the leadup to that, instead of being in a situation where we've just handed down a budget, the project isn't funded, and now you're saying we're going to have to wait at least another six months for this project to be considered by government?

Mr Fredericks: So, proposals for consideration as part of the budget process were due at the end of January. Following the end of January, we go through a process of assessing and consulting with states and territories and asking questions. As part of that process, a number of questions were raised with the Tasmanian government. We provide advice to government and ultimately funding decisions are communicated through the budget.

Senator CHANDLER: There was a consultation process between the federal and the Tasmanian government to iron out some of these issues, like I said, and the federal government has still said, 'No, not happy with it?'

Mr Simpson: Yes, we asked questions and they've provided some answers and we will go into some of those questions in more detail now.

Ms O'Connell: We re-emphasise we welcome a revised proposal coming forward.

Senator CHANDLER: It just seems to me that there has been plenty of time in the leadup to this most recent budget for the federal department to communicate its concerns to the state government and for the state government to be responsive to those concerns. I'm a bit disappointed and I'm sure many of my Tasmanian

farmers, in particular in the Coal Valley area, are disappointed that these issues seemingly couldn't be satisfied to the level that the federal department would like, and we're now going to have to wait another six months when the local Labor member, the local member who is a member of the government, is saying that this project should be funded.

Mr Fredericks: We'll have to agree to disagree. This was a proper process and proper due diligence is being applied. There is a huge willingness, as all of the witnesses have said, from this department to engage with Tasmania. We'll continue to do that as early as next week. At the end of the day, our ultimate responsibility is to make sure when we provide advice to government about a project that should be funded we're completely satisfied that's a valid use of taxpayers' money. At this stage, we're not. We will endeavour to reach that level of judgement.

Senator CHANDLER: What specific issues does the government have with the Greater South East Irrigation Scheme today?

Mr Fredericks: I'll ask my colleague to reiterate the evidence he's already given.

Senator CHANDLER: Mr Simpson, specific issues with the scheme?

Mr Simpson: I previously went through the assessment process and the strategic fit of the project, and alignment with broader government priorities. I listed four or five that are there that can be strengthened through the proposal.

Senator CHANDLER: So, you don't think the project aligns with the broader government priorities?

Mr Simpson: No, I didn't say that. I said it can be strengthened.

CHAIR: Senator Davey.

Senator DAVEY: I have questions for the CSIRO while we've got them. Thank you very much, Dr Mayfield, for coming. Dr Mayfield, the CSIRO in the 2022-23 budget, I think it was, received \$8 million to update and re-establish the Sustainable Rivers Audit. Could you give us an update as to where that is at?

Mr Mayfield: I'd ask my colleague Dr Pollino to talk to the detail of that. Yes, we are doing work in that space.

Ms Pollino: That budget allocation did not directly come to CSIRO. There's probably a question there that may have to go to MDBA.

Senator DAVEY: Has the CSIRO, though, commenced work on re-establishing the Sustainable Rivers Audit?

Ms Pollino: There are two projects there. There's the Sustainable Yields 2. CSIRO is working with the MDBA on the update around Sustainable Yields. But the Sustainable Rivers Audit is not work that CSIRO is part of.

Senator DAVEY: So, that same year there was \$9.8 million for the Sustainable Yields program? That is what the CSIRO is involved in?

Ms Pollino: There are five modules that sit under Sustainable Yields 2. CSIRO is supporting MDBA on three of those modules.

Senator DAVEY: The MDBA received the funding for that and then you subcontract the CSIRO; is that correct?

Dr Coleman: That's correct. The \$9.8 million for Sustainable Yields and the \$8 million for the Sustainable Rivers Audit both came to the MDBA, and then we've been subcontracting as needed. CSIRO are involved in the Sustainable Yields project.

Senator DAVEY: Just for those following along at home, can you explain the difference between Sustainable Rivers and Sustainable Yields?

Dr Coleman: The Sustainable Rivers Audit is about looking at the condition of the basin. The Sustainable Rivers Audit was run twice previously, in 2008 and 2012, I think was when it was released. This is a reinitiation of the Sustainable Rivers Audit program. The previous versions of Sustainable Rivers Audit looked at the environmental condition of the basin. We've now reinitiated the new version of the Sustainable Rivers Audit to look more broadly at the social, economic, cultural and environmental condition of the basin. So, that's about the here and now, 'What is the condition of the basin historically and here and now?' The Sustainable Yields project is more about a forward looking examination of the condition of the basin, and it's more focused on the hydroclimate. The intent of Sustainable Yields is to use contemporary science on climate change, on hydrology, and to be able to look at where we think the hydroclimate of the basin will trend, especially with a focus towards mid-century.

Senator DAVEY: You're working on three of five models with the MDBA. Can you give us an overview of what that is?

Ms Pollino: Yes, it's three of five modules. The first module is future hydroclimates. It's an update of the hydroclimate information for assessing future climate within the Murray-Darling Basin. We're doing part of a second module, which is groundwater modelling. That's looking at groundwater recharge through the basin under a future climate. The fourth module is looking at ecosystem thresholds, so understanding thresholds of change in ecosystems through the basin to be able to then look at potential for change under a future climate.

Senator DAVEY: How long is this project going to take? When are we going to start seeing some of the reports from this work?

Dr Coleman: The project is due to complete mid-next year. I think there are two releases scheduled along the way. I'll need to check that. But there are two releases talking about the design of the program. The final outcomes from this work will be released in the second half of 2025.

Senator DAVEY: This is work that will feed into the basin plan review?

Mr McConville: Yes, I was just going to say exactly that. So, the work of both the Sustainable Rivers Audit, if you like, the look back where we are now, goes to then help inform the evaluation in 2025, and then into the basin plan review in '26, and then similarly Sustainable Yield. That forward look will inform the outlook, which also feeds into the basin plan. Both do become important inputs to the basin plan review in 2026.

Senator DAVEY: With the work that has been going on, the Murray-Darling Water and Environment Research Program, which I understand the CSIRO is also doing part of the work for under the auspices or leadership of the MDBA, is that also feeding into the basin plan review?

Dr Coleman: That's correct. It's been designed with an intent to answer some of our policy and planning priorities for the basin plan review.

Senator DAVEY: To the CSIRO: the work that you have done for that Plausible Hydroclimate Futures for the Murray-Darling Basin outlined three different scenarios—a warmer and wetter climate, and two different scenarios for a warmer and drier climate. Can you break apart the two, warmer and drier, and why they're different scenarios?

Ms Pollino: Just for reference, what report are you actually looking at?

Senator DAVEY: Plausible Hydroclimate Futures for the Murray-Darling Basin.

Ms Pollino: That's the 2020 report?

Senator DAVEY: I think it came out in November 2022. The work there really was to look at what are the different plausible futures? We use the IPCC and CMIP updated models for CMIP6, as well as the regional climate models, to be able to understand how those scenarios inform those global climate scenarios and inform those plausible scenarios. But in terms of any detail around those scenarios, I think that's a question we'll have to take on notice. I note there's quite a wide range of potential reduction in rainfall runoff. I think in the Northern Basin it's minus 45 per cent plus 30 per cent, which is quite a significant range. This might have to be flicked back to the MDBA. I'm glad I've got both of you at the table. Most of the headline digestible information that is coming out has landed on a 20 per cent reduction in annual runoff. Why has the 20 per cent been chosen as the headline or the assumed future reduction in rainfall runoff when there's such a large range? You've looked at three different scenarios, and one could be warmer and wetter. We're just trying to unpick why we've landed on less 20 per cent.

Ms Pollino: Just in terms of the global climate models, there's a suite of global climate models. There are over 40 global climate models. When you look across the suite of those, you do see variability in terms of what a future climate would look like. When you use that to be able to inform your changes in runoff, you do see therefore that variation associated with the changes of runoff. The way we do our modelling is to look at the broad understanding of that suite of uncertainty. But there is actually the median global climate model outputs which we use to actually say, 'This is where the consensus of the models are showing that change.' That's where we are seeing that there is a hotter, drier climate in terms of the Murray-Darling Basin. The Sustainable Yields 2 work is actually doing the update of those outputs to be able to then work through the process of looking at change. I'd say those numbers are a point in time, and what we're currently doing is the update of those outputs using the most recent global climate model runs.

Senator DAVEY: At that time, would the 20 per cent have come from running the median global models? And the range is because you've run the whole suite and one says less, 45, and one says plus 30, and everything in between? But that median one is where the 20 per cent might have come from?

Ms Pollino: Yes, correct.

Senator DAVEY: I'm trying to really simplify it, because it is an extremely complex area. I know it's not as simple as just sitting at the computer and typing in a number here and there, but we're limited for time and I'm also limited in mental capacity sometimes. In that November 2022 review there were a couple of observations made, including that there are limitations in river system modelling, in particular the considerable uncertainty in estimating catchment runoff and accounting for system losses, water extraction use and floodplain processes. How do we make sure those limitations are well understood not just by policymakers but also by the community, who are so used to hearing numbers and they grab the numbers and go, 'That is cement; that is fact', when in essence while these are data driven, model driven results, there is still a limit? It's not concrete.

Dr Coleman: I fully agree. The models are an important line of evidence, but they aren't truth. They have their own assumptions and their own uncertainties. What we seek to do at the MDBA is run our models to explore future scenarios, whether that be climate scenarios or other changes to water scenarios. We use those models and then we complement them as best we can with other lines of information. For us, an important line of information is what is the actual condition of the basin on ground? What is our monitoring telling us about how the environment responds to different flows or how the community responds to different flows? We seek to apply our modelling in what I would call a mature way to recognise where they are limited, and then to explicitly seek other lines of evidence to complement that. What we also do is invest heavily through the integrated river modelling uplift program to update our models using the best new science, contemporary information, and that includes on floodplain harvesting.

Senator DAVEY: I have questions on that as well. I'm also cognisant that we don't have the CSIRO for long. Is the CSIRO involved in that modelling uplift program?

Dr Coleman: No.

Senator DAVEY: That's someone else?

CHAIR: I was quite taken with the announcement in the budget from the resources minister about the assessment; the headline was 'assessing critical minerals across Australia'. The other one was doing a mapping exercise for groundwater. Are you aware of that? Do you have any line of sight over that?

Mr McConville: Are you referring to some of the things that will happen with Geoscience Australia?

CHAIR: Yes.

Mr McConville: We're aware of the announcement, but not the specifics of what's actually going to be done at this point in time.

CHAIR: Do you have any perspective on the value of doing that piece of work, of mapping the groundwater resources across Australia? It's fine if you don't. We were going to have Geoscience Australia, and now we can't. It's a project that I'm personally very interested in.

Mr Mayfield: I can say we've worked in the past with GA on bioregional assessments which looked at impacts on groundwater. There's a long program of work conducted over about a decade. It might be along those lines, but we don't have the detail at this stage. We'd have to find out ourselves.

CHAIR: Senator Davey.

Senator DAVEY: That's everything I have for the CSIRO.

CHAIR: Dr Mayfield, thank you so much for coming, and Dr Pollino. It was short, but it was very enjoyable. We will release you now. Senator Roberts.

Senator ROBERTS: How much has been spent on the Restoring Our Rivers draft framework so far? After two years in office, I expected a more detailed and transparent document than this.

Ms O'Connell: The Restoring Our Rivers framework followed the amendments to the basin plan and Water Act at the very end of last calendar year. That's a framework released on 29 January, earlier this year, to go through and explain how we're proposing to deliver the 450 gegalitres. It was released with a range of principles and programs around the delivery of the 450, and released for consultation. With the new legislation there's an expanded time frame to the end of 2027 to deliver the 450. This is an important consultation document that was released early to seek views and public consultations on how we're going to go about delivering that 450 gegalitres. We had over 100 submissions. We had lots of consultations with representative groups. At the same time as releasing that framework for consultation we did open one of the programs. That program is our water recovery infrastructure program, which is state led. It was launched on 29 January, and that's an opportunity for basin states to bring forward water-saving infrastructure projects. So, that's actual projects to be delivered. Those projects would include off-farm projects, on the property and non-farm projects. That's a program that opened on 29 January.

Senator ROBERTS: This document came out in January this year; that's what you're saying?

Ms O'Connell: The Restoring Our Rivers draft framework document?

Senator ROBERTS: That's it.

Ms O'Connell: It followed the changes to the legislation. That's the important thing. The legislation changed at the end of November.

Ms Connell: The legislation passed parliament at the end of November and commenced on 7 December.

Senator ROBERTS: I would have thought there would have been a lot of work put into that legislation. I'm assuming there was, but I'm amazed at the lack of any real data in this plan or draft framework. It suggests to me that the department is flat out of ideas. It's like nobody cares anymore. Just buy what we need in water buybacks and destroy the bush and call the job done. Minister, are you stalling for an election rather than upsetting people now with buybacks?

Ms O'Connell: When that framework was released, we also opened a program—not something for consultation, an actual program—for state-led infrastructure projects to come forward to be proposed.

Ms Connell: The framework is, as it says, a framing document. It articulates three proposed programs. The first program that Ms O'Connell refers to, the Resilient Rivers Water Infrastructure Program, is supported by a range of extensive guideline documents, which are available on our website. There are discussions going on with states about getting access to what I think is almost half a billion dollars worth of funding. We have been consulting extensively in relation to another proposed program under the framework, which is a sustainable communities program. Once the results of consultation have been taken on board and that program commences, additional information and guidance around that program will also be published on the website. The third proposed program is in relation to a proposed voluntary water purchase, and the same thing will occur there. It's a framing document to articulate a range of proposed programs across a variety of recovery tools.

Senator ROBERTS: It just seems that it's lacking in data and detail. It just seems light on. But thank you for your answers. Minister, the draft plan actually proposes on page 16 to count the water overpurchases towards the 450 gigalitres. Minister, will you give an undertaking to do exactly that?

Senator McAllister: I think it is dependent on understanding what any overrecovery might have involved and officials can give you an update on how the system works to produce an evaluation of the state of play, for want of a better term.

Ms Connell: Currently, there are approximately 78 gigalitres of overcovered water across the northern and southern basins. In terms of being able to count that amount of water towards the 450 gigalitre target, some of those catchments are in New South Wales and they're in catchments for which water resource plans are yet to be accredited. To be able to determine what the final overrecovery amount is requires the water resource plan to be accredited and for the MDBA to have assessed and verified the modelling so we can have the assurance of exactly where the overrecovered amount falls. We expect to be in a situation across all of the relevant catchments—and I think there are about seven or eight where there are overrecoveries—where work is completed by the MDBA by about June next year.

Senator ROBERTS: We're waiting on some of the New South Wales valleys, I understand?

Ms Connell: That's correct.

Ms O'Connell: In earlier evidence today, there are six remaining water resource plans to be accredited out of the 20 for New South Wales. There is a dependence there, as my colleague outlined.

Senator ROBERTS: I can understand you're not making a commitment without those plans, but assuming the plans are in place then overrecovery will be counted as part of the 450?

Ms Connell: The draft framework contemplates that exact situation, and we're in the process of assessing. We got over 100 submissions and they're of a really high detailed quality. We recently released a report which digests all of that consultation feedback. That's been now put on the public record. The next step is to publish the final framework. The final framework will set out the government's proposed approach in relation to overrecoveries.

Senator ROBERTS: How is the government implementing the Productivity Commission's recommendations on a new approach to water recovery while also meeting the legislated requirements to consider the socioeconomic impacts on river communities?

Ms Connell: As you refer to, the Productivity Commission released its, I think, second implementation inquiry into the basin plan, which was published this year. It had a range of recommendations and many of those recommendations have actually been implemented or acted upon in terms of securing the Our Rivers legislation.

Then there are a range of other initiatives that the government is undertaking to implement those recommendations. There's quite a number of them. If there's a specific recommendation you're interested in, I'm happy to give you an answer about that one.

Senator ROBERTS: Can you give me an overview of how the government is implementing the Productivity Commission's recommendations?

Ms Connell: The first key critical step to deal with the range of issues the Productivity Commission raised was actually the passage of the Restoring Our Rivers legislation. The Productivity Commission released its interim report while the legislation was in parliament and progressing through parliament. A lot of the amendments moved in the House of Representatives and in the Senate went to addressing issues in the Productivity Commission report. Time Frame extensions were a key issue the Productivity Commission raised. They called out, as many reports have over the last couple of years in terms of basin plan progress, that more time was required. That was a key component of the legislation. They called out the fact that the 450 gigalitre target would require water purchase. Voluntary water purchase is one of the pathways for recovery. They noted that was more cost-effective relative to infrastructure projects. One of the key elements of the Restoring Our Rivers Act was to make water purchase a feasible pathway.

Senator ROBERTS: What about in relation to meeting the legislated requirement to consider the socioeconomic impacts on river communities?

Ms Connell: The legislation included several reforms in relation to that proposal. Firstly, there's a requirement for a third independent review of the WESA. Unlike the first two reviews, the third review has to actually look at socioeconomic impacts on basin communities. The minister is now also required to consider the social and economic impacts on basin communities of a proposed water purchase program before she launches a water purchase program. There is quite a range of initiatives in relation to socioeconomic impacts.

Ms O'Connell: Significantly, more broadly, there are three principles that guide overall water recovery. The first of those is enhanced environmental outcomes. The second is minimising socioeconomic impacts, and the third is achieving value for money. So, there's an overall set of principles.

Ms Connell: I will just note one of the key recommendations of the commission—I think it's recommendation 2.4—was that in terms of water recovery the government should take a staged and gradual approach and it should provide adjustment assistance to communities to deal with proposed water purchase. As Ms O'Connell said, that's at the core of the draft framework. One of the three pillars, if you like, is looking at socioeconomic impacts, and one of the responses to that is the establishment of a sustainable communities program. The purpose of that program will be to provide adjustment assistance to communities.

Senator ROBERTS: I'll come back to that later. Why has the government not released the Water Recovery Strategy foreshadowed by the Productivity Commission? Six months after the passage of the restoring our rivers bill, why do we only have a draft framework lacking in detail?

Ms Connell: As I said earlier, the draft framework foreshadows three programs. One of those programs is a water purchase program. When the government moves to commence water purchase, it will release the document that the Productivity Commission refers to.

Ms O'Connell: The legislation passed at the end of November. The framework was released at the end of January, so not long after. It's important that we go out and consult on these matters. There's a huge amount of interest. That's what we were doing, consulting.

Senator ROBERTS: When will the feedback on the government's draft framework on recovering the additional 450 gigs be made available?

Ms O'Connell: That I think was actually published on our website yesterday. I'm happy to table a copy—

Senator ROBERTS: Yesterday? That's a funny thing. Pardon me for being a bit—what's the word?

Senator PAYMAN: Cynical.

Senator ROBERTS: No, not quite 'cynical'. Sceptical maybe. A number of things were published right before the day of standard estimates scheduled hearings. Anyway, that's good. Thank you.

Senator McAllister: I suppose the counterfactual is that if it's not published then you don't have the opportunity to examine it. You're very welcome to ask questions about the material that's in the public domain.

Ms O'Connell: If it's useful, we can table the link so that you can go to it, but it is on our website.

CHAIR: Last question, Senator Roberts, before we rotate the call.

Senator ROBERTS: Has the department met with industry groups collectively regarding feedback on this draft framework for the additional 450 gigalitres, and where will it come from?

Ms O'Connell: Yes, there's been extensive consultation as part of the framework being out there—as I said, over 100 submissions. But we can also go through and talk to you about the discussions with groups that we've had, the consultations that we've done and webinars that we've had.

Ms Connell: The nature of the consultation and the groups we consulted with are set out in the document we've published. We've held many workshops over the last six months with industry groups and peak stakeholder groups, and we've met quite a few times with the basin community committee. We've had discussions with particular sectors within industry—the rice sector and the dairy sector.

Senator ROBERTS: Are those workshops online?

Ms Connell: Predominantly, but we've also had face-to-face meetings and meetings out in the basin. So, through a range of different consultation mechanisms and including public webinars.

Senator ROBERTS: How many online and how many—

CHAIR: Senator Roberts, we're now going to have to rotate the call.

Senator ROBERTS: If I could just follow up on that. How many face-to-face workshops and how many online?

Ms Connell: I'd have to take that on notice—

Senator ROBERTS: If you could, please.

Ms Connell: to give you that answer.

CHAIR: We can come back to you, Senator Roberts. Senator Shoebridge.

Senator SHOEBRIDGE: As I was ironing my shirt this morning, listening to a podcast, I got three, I think, Murray-Darling Basin ads coming on. They just kept coming. How much has been spent to date on advertising the Murray-Darling Basin Plan? While they're coming forward, I'll just give an indication of the next question. There has been a series of complaints made about the inaccurate nature of the material being advertised. Where are those complaints up to?

Ms Connell: As of May, approximately \$10 million had been spent on the Murray-Darling Basin campaign. I will just point out to you that, in addition to the public advertisements, there are a range of other materials, additional supporting communication materials, that have been developed and prepared and made available on the department's website and social media channels. Coming now to your second question, there were a number of complaints made to Ad Standards, the regulator of government advertising, and the outcomes of those complaints have been finalised. There was a decision made on 17 April to dismiss those complaints.

Ms O'Connell: The case report from the Ad Standards panel is available publicly online.

Senator SHOEBRIDGE: One of the claims in the ad—I don't think it was in the ad I heard this morning, but it has been in other ads—is that the basin plan will be improving drinking water for towns. I've had a series of complaints from regional New South Wales but specifically from Walgett. I've had a series of complaints, ongoing concerns, about the water quality in Walgett. They're still on an alert and a warning to boil their water. I can't tell you how betrayed they feel that still, as we're sitting here, there has been \$10 million spent on advertising and not a cent spent on getting clean drinking water in Walgett. Why is Walgett still having to boil its water?

Ms Connell: Local water utility services are the responsibility of state governments.

Senator SHOEBRIDGE: It's the quality of the river water; they can't treat it to a level to be drinkable.

Ms Connell: There are funding streams available through the Commonwealth, which I will refer to my colleague Ms Wall, but I would add in relation to your observations about water quality, especially in dry times, it underwrites the importance of recovering environmental water and for that water to be made available to restore the health of river systems. I'd refer that to Dr Banks.

Senator SHOEBRIDGE: You understand it's the appalling water quality in the river that means their existing infrastructure is unable to treat the water to a level that it's drinkable without being boiled? It's the quality of the water in the river. It's not just a factor of their treatment. It's the quality of the water in the river that's meant to be fixed and which you are spending \$10 million advertising the benefits of.

Senator McAllister: I think actually the point you're making is the point that Ms Connell was making to you. The implementation of the Murray-Darling Basin Plan, which I understand the Greens political party supports, is essential to address the water quality issues in the Murray-Darling Basin. I don't think there's any disagreement

between yourself and the government on this question. I think the evidence that Ms Connell was giving to you is that we consider these water quality issues are one of the reasons to take the steps we're taking through the \$13 billion bipartisan commitment to restoring the health of the system.

Senator SHOEBRIDGE: I'm yet to hear an explanation about why, with \$13 billion, more than \$10 million in advertising, years of work, the people of Walgett still can't drink their water. Perhaps, Dr Banks, you can explain it?

Senator McAllister: Because the Murray-Darling Basin Plan has not been progressed in the decade during which the coalition government were in power.

Senator SHOEBRIDGE: Two years into this government and the people of Walgett are still being told to boil their water. Why is that, Dr Banks?

Dr Banks: I can't comment on the infrastructure side to that. Certainly the water holdings that I manage are all about improving and protecting the health of the basin. That includes in various areas when our water licences are triggered we'll improve water quality. We're seeking to connect the system up to improve outcomes for native fish. All of those sorts of things do ultimately have benefits for those local communities. In the last drought there was a long cease-to-flow period in the Barwon-Darling. Commonwealth Environmental Water Holdings along with water from New South Wales were used to connect the waterholes up, primarily focused on native fish, but of course that has important benefits for those local communities in terms of accessing the system.

Ms O'Connell: I think that sort of underlies the point being made about needing to implement the basin plan in full for those water holdings to be available to fulfil the objectives of the plan.

Senator SHOEBRIDGE: Communities on the river in my home state of New South Wales cannot understand how, under the Murray-Darling Basin Plan, I think the sustainable diversion limits have increased by more than 600 gigalitres in New South Wales since the plan commenced. Dr Banks, can you explain how that's happened?

Dr Banks: I can't. What I can talk about is the management of our Commonwealth water that we've got.

Senator SHOEBRIDGE: Can anyone explain how that happened?

Ms O'Connell: If you have a question about the sustainable diversion limits, the Murray-Darling Basin Authority are best placed to answer it.

Senator SHOEBRIDGE: Can you explain how in my home state of New South Wales there has been an increase of more than 600 gigalitres in sustainable diversion limits and, apparently, using the 'best available information'; how on earth did that happen?

Mr Goodes: When the basin plan was made there were rules articulated to calculate the sustainable diversion or the baseline diversion limit, which was the amount of water understood to be being used at the point in time. Then the sustainable diversion limit is that baseline level minus the amount needed to get back to a sustainable level of take. There were quite a number of areas of take that were not well understood at that time, and in some instances the knowledge was so poor, in conjunction with the states—and certainly it was the case in New South Wales—we made no estimate and so there was really an unknown number, although we did make an as good as possible estimate.

Senator SHOEBRIDGE: To drill down on that, wasn't it based upon just the level of water being extracted in 2009, less some kind of water recovery target? It was just based on how much was being sucked out rather than any kind of genuine assessment of sustainability?

Mr Goodes: The baseline was the best understanding of what was being extracted at that point in time, which was agreed to be unsustainable. There was a water recovery amount in order to bring it back to a sustainable level.

Senator SHOEBRIDGE: But there was no science behind that. It was just how much they thought was being sucked out, and they had imperfect information, less some kind of water recovery target. None of it was founded in good science or credible information about sustainability.

Mr Goodes: We wouldn't agree that it wasn't based in credible or good science. We would argue that it was the best available science at the time based on multiple sources.

Senator SHOEBRIDGE: Given that baseline was so questionable and potentially so detrimental to the environment, how have we seen the sustainable diversion limits increase by hundreds of gigalitres?

Mr Goodes: The assessment made was across the basin that, if 2,750 gigalitres at that time of what was being extracted was no longer extracted and returned to the environment, that level of extraction would provide an environmentally sustainable level of take. Then there were opportunities for states to improve that understanding over time. As water resource plans have been brought to the authority for accreditation, which is the instrument

that says, 'Here's how we govern and determine the level of take on an annual basis', over time that level of information, the understanding of levels of extraction, has improved. As part of the accreditation process for water resource plans in the surface water space, there are opportunities for the state to say, 'We've improved our understanding of levels of extraction and here's the basis of our science', and we've seen those levels go up and we've seen those levels go down.

Senator SHOEBRIDGE: But in New South Wales it's been going up. If I understand it correctly, your authority has criticised the New South Wales modelling because, if my notes are right, the descriptions are of a methodology and not volumetric limits. They can change at any time with so-called best available information, and they're not subject to any parliamentary oversight. That's a fair description of how it's done in New South Wales, isn't it?

Mr Goodes: There's a lot of modelling done in terms of developing levels of take, and the legislation provides a mechanism for the incorporation of new and improved science in order to improve the understanding of the historic level of take. That has a flow-on to the SDLs.

Senator SHOEBRIDGE: Perhaps on notice you could provide the instances and the rationale behind your agency approving any increase in sustainable diversion limits coming from New South Wales? To my understanding, there's been some 600 gegalitres in increase. If you could provide that on notice?

Mr McConville: Just for the point of clarity, your question is in relation to adjustments to the baseline diversion limit; is that correct?

Senator SHOEBRIDGE: Correct. My final question goes back to you, Minister: will your government commit to meeting with the elders in Walgett, and in particular the Dharawal elders in Walgett, and working through a solution so that when we come back again to the next occasion on estimates they have clean drinking water? Will you commit to at least meeting with them to engage through that?

Senator McAllister: Senator Shoebridge, I'll take that on notice. I'm obviously not the minister. I am representing the minister.

Mr Goodes: Can I just respond to the question? The assertion of 600—I'm not sure where that number comes from. There's been an increase of 340 gegalitres in the baseline diversion limit for New South Wales, both incorporating the changes that are made definitively in the water resource plans that have been formally assessed and accredited, and also incorporating the amounts that we understand will come forward in the remaining plans. The reform has seen a significant improvement in the understanding of floodplain harvesting in New South Wales, which was almost entirely unknown at the time of initial estimation. That's probably two-thirds of the amount. There were other areas; there was no estimation in any SDL resource unit in New South Wales at the time of the plan being made for basic rights—riparian landholder rights—and also there have been a number of smaller changes in regulated river extraction understanding.

Senator SHOEBRIDGE: Thank you, Mr Goodes, but you can understand the incredible frustration of communities trying to survive on water from the river, of those who are concerned about just the environmental sustainability, that every time there's fresh information provided by the New South Wales government it ends up in a bigger take, with more going to irrigators, more being diverted from towns, more being diverted from the environment. Surely you can understand that frustration?

Ms Connell: I might provide some additional information and context. There is probably a range of issues in relation to Walgett and the town weir, pool and the water treatment plant. As I said before, the state government is responsible for funding local water treatment facilities and capabilities through local councils. I understand there have been some issues with the treatment plant and staff capability in the Walgett area.

Senator SHOEBRIDGE: Salinity in the groundwater is a nightmare.

Ms Connell: That's right; and there have also been ongoing challenges since the last drought in relation to Walgett. We talked earlier about the fact that New South Wales is embarking on a body of work in the Northern Basin to improve the amount of water that remains in the system. It's under a program called the Northern Basin Connectivity Program. That body of work and investigation is a result of the seriously unprecedented conditions that were experienced from the Namoi in 2018 and 2019, where I think inflows over a couple of years were 80 per cent less than the last worst drought. We do understand that New South Wales is looking at the way the rules operate in the Northern Basin, including in the Namoi, to deal with the issues you've raised.

CHAIR: We're going to rotate the call. I'm happy to come back to you, Senator Shoebridge. Senator Van.

Senator VAN: I don't know who to direct this to. As part of the restoring our rivers legislation, the government agreed to, as well as having water buybacks, leasing water from the consumptive pool. Can you tell me what steps the authority has taken to progress the leasing component of it?

Ms O'Connell: It's probably a question more for the department, but I'm happy to answer.

Senator VAN: As I said, I wasn't sure who.

Ms O'Connell: The legislation passed at the end of November. At the end of January, we put out a consultation document called *Restoring our rivers: delivering the Basin Plan*. It set out a whole range of options for consultation around the delivery of 450 gigalitres. On page 12 it outlines leaseback options and delayed water transfer and outlines some of the things that we might do, like allowing a seller to use the water allocation for an initial period of time even though the water is purchased by us. That's a sort of sale and leaseback option. They were part of the framework we put out for consultation.

Senator VAN: Yes, except you've got it the wrong way around. This is leasing back to an entitlement holder, not leasing from.

Ms O'Connell: Yes.

Senator VAN: The whole point of it was that you could add to the 450 by leasing from entitlement holders.

Ms O'Connell: Yes, that's true.

Senator VAN: That's not what this says.

Ms Connell: The framework was accompanied by some very specific questions that we were seeking feedback from the community and entitlement holders on. As part of the consultation we requested feedback on leasing from the government and leasing to the government. The report I referred to earlier—and it digests the feedback that we had in relation to both those mechanisms—

Senator VAN: I don't have that report. Are you able to table it?

Ms Connell: I'm certainly able to table it.

Ms O'Connell: It is online as well. We can table the link or we can give you the link.

CHAIR: We don't need you to table it. You've just referenced it.

Ms O'Connell: It's the result of the consultation.

Senator VAN: It's still that one?

Ms O'Connell: Yes. The report digests the consultation we undertook in relation to that document you've got there. Page 14 sets out what we heard from entitlement holders. We asked a range of questions such as, if you were interested in leasing from or to the government, what kind of term of lease would you be interested in—three years, five years and so on?

Senator VAN: On notice can you send through that questionnaire or however you did that?

Ms Connell: We can.

Senator VAN: And also the digest of that.

Ms O'Connell: The reference is page 14 of that document. We will send it through.

Senator VAN: This one?

Ms O'Connell: Not that one. This is the response to all of the consultation.

Ms Connell: That came out yesterday.

Ms O'Connell: On page 3 there's a heading around leasing from the government, leasing to the government and steps through, as Ms Connell outlined, the responses that people had.

Senator VAN: This was something that was called for by the entitlement holders.

Ms O'Connell: Yes.

Senator VAN: Other than through the consultation, have you taken any steps to make entitlement holders aware that this is now an option available to them?

Ms Connell: We're at the stage in the process where we've undertaken quite extensive consultation over the last four to five months. We've published what we've heard and we're in the process of examining that feedback and looking at, if the government were to look at leasing to or from, how that would work. Obviously, we're subject to quite onerous due diligence requirements under the PGPA Act in terms of obtaining value for money. But we're working through those issues.

Senator VAN: The same requirements apply to buying as it does to leasing. I can't see what the difference would be between the two?

Ms Connell: There are some challenges. In terms of actually being able to credit water to the 450 target, it requires the sustainable diversion limits to be adjusted, and that adjustment can only take place in relation to permanent water entitlements. But we are looking at the feasibility of undertaking leasing as a bridging mechanism to assist communities adjust. But we are interrogating the possibilities from all angles. We're still in the process of doing that.

Senator VAN: That leasing, too, is a really important component of the restoring our rivers bill. That should not be lost on the department or the committee.

Ms O'Connell: It isn't. Within the framework we released a consultation. The consultations report that we've referred to talks about leasing from the government and leasing to the government, and what the reaction and responses were in terms of the consultations in relation to that, looking at period of lease, interest in it overall et cetera.

Senator VAN: I think Senator Shoebridge said there was \$10 million on advertising. Are you doing any education about letting people know that leasing to the government is an option available to them?

Ms O'Connell: As I said, it was part of the consultation framework. It's been part of the response that has come back to us around interest in leasing. We now need to look at how and what we construct as programs to be able to give effect to that.

Senator VAN: What resources have you allocated to looking at that?

Ms O'Connell: That's our staffing resources, looking at that as part of the overall framework.

Senator VAN: There are actual staff who are specifically looking at that as an option?

Ms Connell: That's correct.

Senator VAN: On your org chart, would you show the committee who they are or where they sit?

Ms Connell: I'm happy to tell you now. There's a range of people who are looking at this issue across several divisions. So, Water Reform Division, which I lead, the Water Infrastructure Division, and we're also working with other parts of the department in terms of corporate services, legal, and procurement; other parts of the department contribute to looking at the mechanisms that we can progress.

Senator VAN: Do you think by the time we next meet at estimates you'll have a concrete plan for leasing to the government?

Ms Connell: We are in the process of examining the feasibility. I wouldn't like to be drawn on that, given one of the things we have to do is make sure that any approach we take to water recovery is consistent with the Water Act and the PGPA Act. As I said before, we're working through those issues.

Senator VAN: Thank you. I look forward to seeing some progress on that next time you appear.

CHAIR: Senator Davey.

Senator DAVEY: I have a clarifying question for Mr Goodes, following on from Senator Shoebridge. Numbers are flying around. We love numbers in this department. He claimed that the SDL had changed by 600 gegalitres. In your response, you referenced that, in determining the baseline diversions, you had a placeholder, and it's now been estimated to be 340 gegalitres. But that's within the baseline. That's not a change to the SDL. The SDL hasn't gone up by 340 gegalitres. My understanding is, in particular in the Northern Basin, the only adjustment that is active to date in the Northern Basin was a change as a result of the Northern Basin review, which was the amount allowed to be extracted, the SDL, increased by only 70 gegalitres. So, in terms of the basin plan, there hasn't been this increased slush fund going out; the MDBA has not approved a massive increase in the amount of water that can be extracted?

Mr Goodes: That's right. The changes in the BDL do have an automatic flow on to the SDL, but the changes in the BDL are a reflection of a better understanding of what the take was at that time. It's not an indication that any additional take has been allowed or is occurring, and it doesn't occur so much in areas of licensed and metered take. It's much better a reflection of forms of take that were estimated at the time in 2012, and there's a much better either model or estimate or understanding of that form of take. It's not an indication of additional take, and it doesn't reduce the level of water recovery that is required in that particular area, unlike the other issue that you referenced, which was a legislative change to the plan that enabled another 70 gegalitres in the north to remain in the consumptive pool and not be recovered. So, they're two quite different mechanisms.

Senator DAVEY: The sustainable diversion limit stands?

Mr Goodes: That's correct.

Senator RUSTON: Following on not specifically from Walgett but from the questions in relation to water management or river management in relation to bad water—you constantly referenced, Ms Connell, that it was a matter for the states to manage bad water. I'm keen to understand what role, if any, the department or the authority has in the transfer of black water, contaminated water and the like across state borders?

Ms Connell: Can I clarify that my comments were in relation to provision of drinking water to communities. Local water utilities in states are responsible for drinking water issues. I think Dr Banks and Mr McConville can deal with your other questions.

Senator RUSTON: I'm interested in relation to the flushing in very recent times of some black water that was contaminated with blue-green algae from the Lower Darling-Barker into the Murray and what involvement we had there in terms of process about managing the risk assessment for communities that were going to have that water go past?

Dr Banks: From a Commonwealth Environmental Water Holder perspective, we've triggered our licences up in the northern part of the basin. When we do that, what we're doing is leaving water within the system. That water has been protected down to Menindee Lakes. Currently, as at end of March, it was about 25 or 26 gigalitres. There's an estimate that it could be as much as 45 to 50 gigalitres by the end of June. The idea in terms of this trial was to pass that water. It actually becomes state shares, and the states have agreed that water can be provided as fresh water—really good-quality water—and to pass that water down to support and improve conditions in the Lower Darling-Barker. It's not actually black water. Black water is normally associated with hypoxic or low dissolved oxygen levels. It's actually not that; that's not the issue in this circumstance. There are high levels of blue-green algae and salinity that are the main problems impacting the communities in that system. In progressing this trial to try to improve conditions that water would pass down the system naturally, but actually being able to pass down the better quality water to try to dilute the conditions down there is good for those communities.

Senator RUSTON: I certainly understand all that. I'm just trying to understand the risk assessment that is put in place. The release that came out from the New South Wales government is pretty direct. They mentioned that Wentworth and Menindee is treated but that raw river water is not treated and is not safe to drink. Farmers in these areas are also being advised to keep their livestock off river water until conditions improve. It clearly is some quite unpleasant water. It appears as if the New South Wales government has provided some advice to its communities. To the best of my knowledge—and I've looked as hard as I can—I can find no advice to anybody on the river system in South Australia about the potential impacts of this water slug as it goes through, and we understand it needs to go through. Is there any requirement from you or from the authority to do any sort of risk assessment and ensure that the necessary communication tools are in place so that, as this water goes past these communities, the people who rely on it are aware of the danger that exists?

Mr McConville: I might ask Dr Davis to talk through how we've worked with South Australia, New South Wales and Victoria in terms of managing that water as it comes through, with the better quality water pushing in behind it. Ultimately, then, it will be a question for the South Australian government to notify communities if there are issues relating to water quality. We can talk a bit about how we've worked with the states to manage as that water gets pushed through.

Dr Davis: We've been working with the South Australian government quite closely on this one. That water is leaving the Barker, coming into the Murray and then moving through into South Australia, as we're all aware. There are provisions under what we call our objectives and outcomes document for river operations to ask us to manage Lake Victoria, to manage that water quality coming into South Australian, and that's what we're doing. We've got a couple of risk mitigation strategies that we're working with the South Australian government on. We're trying to increase our draw into Lake Victoria so as that bad-quality water goes into Lake Victoria it will get aerated and mixed with other water that's already in there. We've also got what's known as a Goulburn pulse. So, environmental water coming from the Goulburn down through the Murray, and that should pass in about July. That's there also to provide that dilution into South Australia of that bad water quality.

Coming back to your premise, which I think was, 'What's the responsibility of the MDBA?', I think the responsibility would be we just basically talk to all governments about it. This was a major issue. We saw this as a major issue. We reached out to the South Australian government. We work with them quite closely to try to work out mitigation strategies, and then we action those mitigation strategies and monitor it as well. SA Water is monitoring the water quality in South Australia, and basically they're feeding that back to us about where the water quality is going, and how much of this risk mitigation do we need to enact on a given day?

Senator RUSTON: To that end, can I read into that there is a possibility that the mitigation actions you're putting in place will mean there is no need for any community to be alert to potential risks that may be associated with this blue-green algae going past it? So, by the time it gets past Lake Victoria into South Australia, it will be fine?

Dr Davis: Hopefully, yes. But I can't sit here and say it's all going to be fine and the community shouldn't be aware. Definitely, again, we work with SA Water and the Department of Environment and Water in South Australia. If they feel there's a risk, they then make communities aware and they put communities on notice that poor water quality is passing. My understanding is there may be already some poor water quality in South Australia, some sort of higher algal counts and things like that. Definitely in terms of consultation with South Australia, they were very aware of this and they were very keen to work with us on these mitigation strategies.

Senator RUSTON: It appears as though you've done everything one could reasonably expect you to have done. It just appears as if, even though the South Australian government have provided their support, there have been no communications into my community as to what's going on. Because of the lack of information, there has been a lot of speculation and there's a huge amount of concern and angst in Riverland, by the way. There's a huge amount of concern in the community that there's this slug of blue-green algae. Even to the extent that they think it's black water; and I think you've said that it's not black water, it's going through the community. It appears as if there has been a breakdown in terms of communication from the South Australian government back to the community.

Dr Davis: Thank you. We're certainly happy to continue to engage with the officials in South Australia, and also there's responsibility with the Department of Health, which ultimately issues any health warning. So, we certainly take your point, and we'll ensure that we can test that communication.

Senator RUSTON: The more factual information people have the less likely it is that they're going to react in a way that may not be based on fact. That's great. Can I ask about the Resilient Rivers Water Infrastructure Program. Despite the fact that I've been here for a long time and I try to read budget papers, I am trying to understand the money that has been allocated to this program. Do we call it the RRWIP? What's the acronym or its cute name these days so we don't have to use the—

Senator McAllister: I don't know if it's going to assist in understanding this. Do you call it the resilient rivers program?

Ms Wall: Now I'm confused. I'm going to have to look at my guide.

Ms O'Connell: It's the Resilient Rivers Water Infrastructure Program.

Senator RUSTON: Just so I don't have to say the whole mouthful.

Ms O'Connell: We haven't turned them into acronyms at this point. That's a failing.

Senator RUSTON: I'll call it 'the program' for the time being. I'm just trying to understand the amount of money that has been specifically allocated to this program over the forwards and what that's made up of year on year?

Ms Wall: So, \$494 million has been allocated to a state-led program, and \$27 million was allocated to a Commonwealth-led—

Senator RUSTON: So, the \$27 million to the Commonwealth program is the new money in this year's budget?

Ms Wall: That's correct.

Senator RUSTON: Of the \$494 million, can you profile that out for me over the forwards?

Ms O'Connell: The state-led opened on 29 January.

Senator RUSTON: Have you allocated the amounts over the forwards for it, and what years?

Ms Wall: I'll have to take that on notice. I should be able to get it to you today. I don't have it to hand.

Ms O'Connell: We'll get it to you straight after lunch.

Senator RUSTON: Can I ask how much is in the bucket—pardon the pun—for the program for '24-25?

Ms O'Connell: We'll give you the breakdown.

Senator RUSTON: How much was available in '23-24?

Ms O'Connell: We'll take that on notice. We'll come back with the profile.

Ms Wall: I can answer the last question. There was no funding in '23-24 because it was the off-farm efficiency program still in place for infrastructure projects.

Senator RUSTON: With the announcement in January about the changing of the program, the funding didn't start until '24-25?

Ms Wall: Yes, that's right.

Ms O'Connell: Funding didn't; the program was open. But you expect in the early days to be getting proposals.

Senator RUSTON: I'm just trying to get a profile. So, in terms of the expectation of the department as to when these projects are likely to become real, or will be reflected in the profiling of the money, my understanding is that \$199 million is in '24-25. I'll let you confirm that. So, is the \$27 million that has been allocated from this recent budget over four years or over one?

Ms Wall: There's \$27 million allocated for next financial year.

Senator RUSTON: We've got \$199 million, assuming I'm right, plus another \$27 million to be realised in the next 12 months on projects under this program?

Ms Wall: We'll confirm the high number, but that's correct with respect to—

Senator DAVEY: That's a lot of TV ads.

Senator RUSTON: Has any money been provided to any state or territory to date? I'm assuming the answer to that is, no?

Ms Wall: No. That's correct.

Ms O'Connell: We are expecting proposals to come forward, and we'll be in discussions with states on prospective proposals.

Senator RUSTON: Have you got an indicative idea about how you think this is likely to be split between states and territories, or are we just waiting for the best possible project?

Ms Wall: We are waiting for projects. I have a copy of I think this is Budget Paper No. 2. The profile is \$29.5 million for '23-24; '24-25, \$199 million; '25-26, \$179.8 million; and then '26-27, \$85.7 million. That's in Budget Paper No. 4, page 106. Also in that table there is no state split.

Senator RUSTON: I get that. In the design of the program, was there any consideration in relation to how the money is likely to be allocated between the states and territories or has there been no—

Ms Wall: There's been no allocation.

Ms O'Connell: We would encourage projects coming forward sooner rather than later so that we can meet that profile and deliver the water recovery in other ways.

CHAIR: Senator Ruston, we're going to go to lunch at 1. You have a couple of minutes before the break.

Senator RUSTON: In the previous program for farm water efficiency projects was there a review or an audit around those projects? I'm just wondering where that's at.

Ms Wall: I'll get my colleague to join the table. I might just ask you to ask the question again.

Senator RUSTON: Since the change of program, my understanding is that there was an audit of the previous off-farm projects that were being undertaken by the program that preceded the Resilient Rivers Water Infrastructure Program. What is the progress of that audit in relation to those projects and is there any interface between potential projects that have been identified under that mechanism falling into the new one and how that all works?

Mr Whalen: I'll start with the first part of the question. In terms of the existing program, which we refer to as the off-farm efficiency program, that finishes at the end of this financial year, on 30 June this year. The intention is to actually—and we've already started planning—do a program evaluation of that. That will be done in the second half of this year.

Senator RUSTON: For the projects that are already underway for this program that now will finish on 30 June, you'll do a final assessment on the outcomes of those projects in the second half of 2024 to determine the water value of those projects? Is that what you're saying?

Mr Whalen: Just to clarify, in terms of the actual contribution to the 450 gegalitres, that's been done along the way. As part of the projects, we have to arrange for the transfer of the water and the certificates that go along with that from the states but also from the proponents themselves. So, that's progressively happening anyway. By the time the projects come to completion around the end of this financial year we already will have most of that paperwork already done, and we'll have a pretty good indication of what that contribution is. The evaluation of the program itself is more about the evaluation of how effective it was in terms of the overall objectives, what could

be learned from it for the purposes of new programs that are run in a similar way and working with the states as well to get their feedback about what's worked for them in dealing with their proponents, given that they're in between us and the proponents, and just in terms of the general governance and administration of the program.

Senator RUSTON: On a point of clarification, you said that the projects will be completed by 30 June. Will all projects that were currently on foot under the previous program be concluded by 30 June?

Mr Whalen: All but one. If you just bear with me for a second.

Senator RUSTON: I'm sure the chair is going to let me go again after lunch. So, just answer it after lunch, because I've got a couple more questions on this.

CHAIR: We will now suspend.

Proceedings suspended from 13:01 to 14:01

CHAIR: We will resume. Senator Davey.

Senator DAVEY: I have so many questions, and one for Mr Banks. Senator Shoebridge was asking you about water quality and you were talking about how the two make best efforts to manage their water for a whole range of different purposes, water quality being one. But your remit isn't about town water quality, is it? I believe you've been asked in the past to help put flows out to assist in water quality for users, and the response has always been, 'No, our water can't be used for those purposes. It's got to be for environmental-only purposes?'

Dr Banks: Yes, that's correct. Water quality at the broadest level is a shared responsibility across states as well as ourselves from an environmental perspective. We have strong interest to protect and restore the environmental assets of the basin. I think historically where there have been those hypoxic—really low dissolved oxygen level—circumstances that impact significantly on native fish, we've played a big role there. Last year we used about 100 gigalitres of water to improve conditions and create refuges for native fish. We play a role in that. More broadly, by improving the condition of the system, whether it's freshening up waterholes that have been disconnected for a long period of time, we are ultimately hopefully contributing to those broader benefits that are relevant to the local communities as well, either from a recreational perspective or a use perspective. It's not our core focus, but I think the consequence of what we're doing in trying to improve the condition of the system does play a role.

Senator DAVEY: Earlier with the Inspector-General when he was here I asked him about the situation at Toorale Station and the Warrego River. Specifically concerns have been raised with my office about some watering that occurred in the infrastructure management; gates were closed and the Warrego River ceased to flow. But my understanding was you were releasing water at the time. Did you have any conversations with national parks or the operators of that river infrastructure up there to ensure that connectivity was maintained?

Dr Banks: I can get Dr Finn in a moment to talk about the sorts of triggers that we work to in terms of delivering water to the western floodplain or to ensure connectivity of the Warrego to the Darling. I think it's really important. We've achieved some really good outcomes out on the western floodplain. We're building resilience on that, but also very mindful of the importance of connectivity of the Warrego to the Darling. That's been a real focus for us. And then ultimately the protection of water from those northern tributaries right down to Menindee is really important. We can achieve a whole lot of really good outcomes on the way, improving conditions of waterholes, but also, more broadly, just the riparian vegetation. I might ask Dr Finn if he can just talk about the triggers, because we did use nearly nine gigalitres out on the western floodplain. I understand there was a previous investigation by NRAR around national parks' operation of the system out there, and it was found there was no wrongdoing or anything. Since that time—this was back in 2020—they've actively improved. So there is an operational plan that guides the operation of the infrastructure. Dr Finn can talk through that.

Senator DAVEY: Are you aware the Warrego was disconnected for a period of time?

Dr Banks: Yes, I am aware that there was a disconnection associated with, I think, doing some works on one of the structures there to try to ultimately improve things.

Dr Finn: As Dr Banks said, on the Toorale area we have a 9.72 gigalitre water entitlement there. That's specifically for the purpose of watering what we call the western floodplain or the Toorale floodplain. We did use that licence this year. It's fair to say the triggers that affect us and our use of the licence also define how New South Wales operates the infrastructure on Toorale Station. Before we can use our licence and water the western floodplain, we need to make sure that the triggers and the priorities are met under the Toorale Water Management Infrastructure Operations and Maintenance Plan. That's a New South Wales plan that's published on the website and includes exactly what criteria need to be met and defines how the infrastructure is operated. But we make sure those triggers are met before we use our licences.

Senator DAVEY: And connectivity flow is one of those triggers?

Dr Finn: That's right. The plan sets out a priority of outcomes that the operation of infrastructure is intended to meet. The first or the primary priority, the overarching priority, is connectivity between the Warrego River and the Darling River. Once that connectivity between those two rivers are met—and it's defined by a set of triggers in the plan that we comply with—a second priority, if I can put it like that, is the watering of the western floodplain. There's also a set of triggers that would define whether we believe the western floodplains received an adequate drink. After that, the third priority is expressed as adaptive operations. That's working with stakeholders, the management committee of the national park, to decide where you balance your water after that. When we used our licence this year, that 9.72 gigalitres, we did go through and make sure those triggers in the operations plan were met. As Dr Banks mentioned, during that process, in the last six months, New South Wales has done some works downstream and adjusted their infrastructure to allow those works to take place. Understand they had all of the required approvals in place in New South Wales to do that, but that's the operation of the infrastructure. I'm confident that the use of our water licence complied with the operations plan, and we check to see that the triggers are met before we pull the trigger on that.

Senator DAVEY: Any requirement for landholders and water users downstream of Toorale to have been made aware of the works would have been up to New South Wales to do that, and from the feedback I'm getting into my office they failed to do that. But that's not your remit; as long as you're working to the Toorale operating plan?

Dr Banks: That's correct. We also obtained some good scientific advice to understand the benefits of putting that water out onto the western floodplain as well, which is based on providing habitat for the water birds to forage in and all those sorts of things. It's a very carefully considered process we go through. You're right; we've got to make sure the triggers are met. We also want to make sure that we can get good outcomes from the use of that water, which is in part building more resilience into that system, and then agree for that water to be taken out.

Senator DAVEY: I have some questions for the department relating to the Healthy Coorong, Healthy Basin initiative, which is jointly funded by the Australian government and the South Australian government I think to the tune of \$70 million. Over the weekend, it was reported there was quite a significant fishkill along the Coorong, with comments that it stretched over 20 kilometres. This project was funded, I think, in 2019 for activities between 2019 and 2024. Can you outline what works or activities have been undertaken since the commencement of that Healthy Coorong, Healthy Basin initiative?

Mr Whalen: That program has many different stages. Is there any particular stage? Would you like to start from the earlier stages and just talk you through what's been done?

Senator DAVEY: I know there's been a lot of research work, and is the research work now becoming works on ground to improve the health of the Coorong and in particular the Southern Lagoon?

Mr Whalen: In terms of the works that have been delivered so far for the Healthy Coorong, Healthy Basin program, there have been about four different phases. The first phase was where a lot of the development of the business cases and the trials and investigations for the first part were undertaken. There was a lot of community consultation as well. All of that's been completed. Then we moved on to the next phase, where we started looking at some of the on-ground works, doing some trials and investigations into the types of habitat and how the works would actually impact that habitat, in particular in relation to climate change going forward as well, but also to make sure there was good consultation with the First Nations groups. As part of that, the main on-ground works, which included a regional bird refugia project at Tolderol and Teringie, commenced in 2022. We're expected to have those completed by the middle of next year. There are also other works going on in that particular region where we're currently looking at investigations to do with the Southern Lagoon. There has been some work going on already in that particular area and looking at different options for dealing with preparing the business case, but looking into options to deal with the salinity issues and so on. I understand there's a proposal we're currently reviewing to actually provide additional funding to progress that work.

Senator DAVEY: If those business cases identify a solution, like a pipe to the sea, that would require another application and further funding?

Mr Whalen: That's right. You asked more broadly about what's been delivered so far in that particular area in relation to actual works on the ground. For the stage 1 activity there was about \$121 million, and it's been completed. It actually achieved quite a lot. It involved the release of about 15,000 fish across four different species on 10 different sites. There was pest and weed management across about 14,000 hectares, over 61 different sites. There was planting of over 4.5 million plants across 975 hectares and 72 sites. There's been installation of over 100 kilometres of fencing to protect the shoreline and the revegetation of the sites. As to

construction of drainage channels, there's been about 13 kilometres of drainage channel that's been developed to improve the flow into the Southern Lagoon.

Senator DAVEY: I've been to see that.

Mr Whalen: You've probably seen that there has been quite a few of the First Nations people in the area that have benefited from being employed in a lot of those projects as well.

Senator DAVEY: I understand that some of the \$70 million has also been spent on a project at Lake Hawdon North?

Mr Whalen: That's correct.

Senator DAVEY: My understanding—and my geography could be wrong—is that Lake Hawdon North is not connected to the Coorong and is, in fact, outside the basin.

Mr Whalen: The Lake Hawdon North project is about rehabilitating/maintaining habitat for bird species and other animals that actually have been impacted by the damage that's been done to the Southern Lagoon area through these drought events in more recent years. It's also a key part of actually providing that connection for the migrating birds for the Coorong area.

Senator DAVEY: I understand that the local member, Tony Pasin, has also written to the department about the concerns that money identified for the Murray-Darling Basin is actually being spent outside the basin. How much was allocated to the Lake Hawdon North project?

CHAIR: You can range broadly—

Senator DAVEY: This is Murray-Darling Basin funding that is going to Lake Hawdon North, which is not in the basin.

Mr Whalen: In relation to the total amount of funding that's coming from the Australian government, under the funding agreement that's been put in place for that it's \$12.362 million.

Senator DAVEY: What is that delivering?

Mr Whalen: The Lake Hawdon North project is going to involve putting in some improvements to the channel and the channelling of water across that habitat to improve and maintain the habitat for birdlife and aquatic life for longer periods of the year, to improve the migration for birds, because there's actually more food and habitat for them to occupy and use.

Senator DAVEY: So \$12.362 million of money that was for the Healthy Coorong, Healthy Basin was delivered under the auspices of the Murray-Darling Basin reforms and has gone to a lake outside the basin to channel water from where?

Mr Whalen: I don't have that information in front of me at the moment. I also want to make it really clear that the way in which that proposal has come forward from South Australia is actually as part of the broader program for the Coorong, Lower Lakes and the Murray Mouth. It is actually being managed by South Australia in the context of the total habitat and environment for that particular very important environmental ecosystem.

Senator DAVEY: And there is no water return?

Ms Wall: It's about habitat.

Senator DAVEY: So, if the South Australian government brought forward a proposal for funding for a project in the Lake Eyre Basin—because that also addresses migratory birds—would we find money from the basin plan funding bucket to support that? Do you understand why people are concerned; that money that has been earmarked for improvements in the Murray-Darling Basin? If you believe the TV ads, in the next drought we're going to run out of food and drinking water, and \$12 million of the money that's meant to save our dying Murray-Darling River system is actually being spent outside the Murray. People are getting a bit frustrated.

Ms Wall: This project is not connected to the 450 or the 605. This project is really about environmental outcomes. This funding is very much about environmental outcomes. The birds and the wildlife may have normally gone to other areas down there, and it was decided that this investment was critical to establish habitat close to it to support those migrating birds.

Senator DAVEY: It just seems that other states that come forward with ideas for habitat and outcomes focused works or programs get told, 'You've got to give us water, otherwise you can't get the money.' South Australia time and time again gets funding for projects with no water return, and now they're getting funding to spend outside of the basin. With all due respect to South Australia, good on them; I think they're very imaginative in how they structure and design their programs.

Ms O'Connell: This was a specific program focused on the environmental outcomes.

Senator DAVEY: 'Coorong' and 'basin' being the key words in that program.

Ms O'Connell: That's right.

Senator DAVEY: Lake Hawdon is neither in the Coorong nor the basin.

Mr Whalen: Part of the proposal is very much around the linkages to the Coorong and in particular the Southern Lagoon, and the linkages in terms of the birds, and in particular in terms of those birds that are migrating through to the Coorong and the Ramsar areas associated with that as well.

Senator DAVEY: That brings me to another interesting bucket of funding where I'm trying to work out what it's going to deliver. As to the agreement reached with Senator Pocock, from a media release on 29 November last year, 'New hope for the Murrumbidgee', which is in the basin—I accept the Murrumbidgee is in the basin—there's \$30 million to go into a contingency reserve that can be drawn upon to support additional water in the Upper Murrumbidgee during drought-like conditions. Can someone explain to me what the contingency will be and where that water is going to come from?

Ms Hickey: As to your question on the announcement or commitment of the \$30 million from the contingency reserve, that commitment is set aside if drought-like conditions prevail in the Upper Murrumbidgee. With drought-like conditions, at this point in time the initial things we're looking at are when the allocations to the Snowy Montane increased flows are less than 50 per cent. For this current year, the allocations to the Snowy Montane increased flows are greater than 50 per cent. The \$30 million in the contingency reserve is \$10 million per year for the next three years, starting with the financial year of 2024-2025.

Senator DAVEY: It's titled 'contingency'. If it's not spent, what happens to it?

Ms Hickey: If it's not spent, my understanding is it remains in the contingency reserve.

Senator DAVEY: I've asked Snowy Hydro if anyone has talked to them about this contingency reserve, and their response was, 'No, we're not aware of anything or any requirements.' What would the contingency reserve be paying for, if it's drought-like conditions, if we're going to be calling on this water?

Ms Hickey: Snowy Hydro answered your question earlier in the week. I think it was this week. That is correct; we have not started negotiations with Snowy Hydro on the use of this money. Negotiations formally commence with Snowy Hydro when we trigger those drought-like conditions. Currently, the first thing we have done is get a better understanding of what the prevailing outlook would be for the Upper Murrumbidgee for this coming year. As I said, we're not currently forecasting to trigger those provisions. The next thing we're starting to look at is what's the framework that would guide us in those negotiations? It's really important that in discharging those negotiations we ensure that Snowy Hydro can remain compliant with the New South Wales Snowy water licence. We would also be taking New South Wales government advice on when and how to procure the additional water. The money was calculated on the basis of needing to pay Snowy Hydro forgone energy generation.

Senator DAVEY: Thank you. That was what I suspected, but I couldn't get the answer there.

CHAIR: If you find a convenient spot, we'll rotate the call.

Senator DAVEY: I have other questions about the ACT, because they're interesting; that's enough on Snowy.

CHAIR: Senator Payman.

Senator PAYMAN: I have some questions for the Environmental Water Holder. Dr Banks, you've indicated to us that additional water would allow you to achieve better environmental outcomes, and we've been hearing for the good part of this morning about them. Can you describe what the Commonwealth Environmental Activities Framework is and how it will help achieve better environmental outcomes?

Dr Banks: The Commonwealth Environmental Activities Framework is effectively where we're going to invest our funding from the proceeds of trade. Some really good examples are, for example, Taylors Creek Fishway and the Tea Gardens Fishway, which are all about opening up habitat for fish. So the outcome is improved connectivity for fish. These are done in partnership with the local catchment management authorities and other organisations. It's about us using the proceeds of trade to identify areas where we can improve the delivery of environmental water or provide other outcomes.

Senator PAYMAN: Can you remind us how many projects you've committed funds to under this framework and how much money this is in total?

Dr Banks: To date we've funded about 11 environmental activities. To the tune of about \$7.4 million has come from a combination of the proceeds of trade but also our environmental water holdings special account. Those projects are across the basin and some have been completed. For example, up in the Toorale area we've

done some works to remove a block bank that needed to be completed. Down in the Edward/Kolety system we've installed a couple of box culverts, which again is about improving connectivity for native fish. That was on the Cochranes Creek system. I mentioned the Tea Gardens and Taylor Weir. We've also got work going on up in the Macquarie Marshes, again, just to improve the delivery and outcomes we can get from the water that we're delivering. In the Lachlan we've contributed to putting fish screens on irrigator pumps. Again, that just means that instead of eggs and the larvae of the fish getting sucked up and destroyed in the pumps they've got these quite clever fish screens that mean those eggs and larvae will pass down the system and hopefully contribute to the population of native fish.

Senator PAYMAN: Do you expect to invest in many other projects in the future?

Dr Banks: For me, trying to normalise trade of annual allocations as part of our operations is important, and that's on the basis that it gives us proceeds to invest in outcomes. We're getting close to a project up in the Northern Basin which is about resnagging and providing native fish habitat. Historically the snags were removed from the system to provide for passage of vessels and things. Now we're looking at trying to fund to reinstate those snags between Bourke and Louth. That provides the habitat that the Murray Cod, a vulnerable species, needs. It's a really good project.

Senator PAYMAN: How do you assess and identify these projects?

Dr Banks: We work with state partners and, again, it's how it connects with better outcomes from the use of our water. We work with state partners who identify potential projects. We'll assess them internally as to whether they contribute to improved outcomes associated with the delivery of Commonwealth environmental water, and then do the necessary funding approvals and all those sorts of things, and get a detailed proposal. In the resnagging one it was Fisheries in the Department of Primary Industries that put the proposal to us.

Senator PAYMAN: Thank you, Dr Banks.

CHAIR: Senator Sharma.

Senator SHARMA: I just wanted to return, if we could, to the advertising campaign for the Murray-Darling Basin Authority. I think you answered some questions on that before. I just wanted to understand what the total figure for the advertising campaign was. I heard \$10 million, but I'd also heard, I think, \$12 million.

Ms Connell: The total figure for the campaign is \$14,124,000. As I said earlier today, \$10,100,000 has been spent to date.

Senator SHARMA: So how much exactly?

Ms Connell: \$14.125 million.

Senator SHARMA: That's over many years?

Ms Connell: That's for this financial year.

Senator SHARMA: What has it been spent on to date?

Ms Agett: The advertising campaign has been in market since 18 February and is due to conclude on 30 June. That has included the advertising campaign as well as national television ads, radio and a series of public relations activities that have been undertaken with culturally and linguistically diverse audiences as well as First Nations audiences.

Senator SHARMA: Is that on commercial television or streaming video on demand services? Are you putting it on digital platforms as well?

Ms Agett: The media buy does cover all of those TV advertising, radio and digital, as well as social media and out of home.

Senator SHARMA: Who was the company that did the creative work for that?

Ms Agett: As to the actual campaign creative, our creative supplier was Clemenger.

Senator SHARMA: Has the department conducted any evaluation yet of the effectiveness of these?

Ms Agett: Not yet. The campaign runs through to 30 June, and following that, under the government guidelines, there is an evaluation of the campaign following conclusion.

Senator SHARMA: I'm relatively new to this portfolio, but \$40 million seems quite high. The government is spending, what, \$40 million on the stage 3 tax cuts advertising campaign, and people thought that was quite a high figure. Have you spent this sort of money before on Murray-Darling Basin awareness commercial advertising?

Mr Fredericks: I think the way to think about that is, at the end of the day, this department and I have an obligation to expend money when we regard it as value for money. You know that. At the end of the day, the judgement we've made is that this expenditure of money represents value for money for the purposes that we're seeking to achieve here.

Senator SHARMA: Will the department seek similar funding next year to continue with the advertising campaign? Is there money in the forward estimates for it?

Ms Connell: As Ms Agett said before, the campaign runs until 30 June, and then it's mandatory under the Department of Finance guidelines for government advertising for campaigns to be evaluated. The evaluation will be the key next step for the department.

Senator SHARMA: How long would that evaluation normally take? Do you have a sense of that?

Ms Agett: So for the evaluation we bring all of the suppliers together post the finalisation of the campaign, and that report is developed with the whole-of-government evaluation supplier. That generally takes a couple of months. We would be expecting to get that towards the end of August. As part of that end-to-end campaign process, we then need to take that report back to the cabinet committee.

Senator SHARMA: Some complaints have been made about some of the images used in the advertisements as to whether they're actually from the Murray-Darling Basin area or not. I can't vouch for whether this is true or not, but I've heard that some were taken possibly from an orange grove in Turkey, an image of Cronulla Bay inlet and the southern Sydney foreshore. Do we know where all of the imagery used in the advertising was collected from? Did the agency that was producing this go to the Murray-Darling Basin to capture the footage that was used?

Ms Agett: For the campaign a combination of images were used which were specifically for the campaign; they were part of the campaign creative process. Some were also used by our in-house production team; photos that our department has taken along the basin previously. Then we've also drawn on the department's image library.

CHAIR: I think the question was: are they all from the Murray-Darling Basin, or were some from overseas?

Ms Agett: As to the two images that are subject to some media—one was used on a social media post that went out on the department's channels, and it was drawn to our attention that it was not from within the basin as we had believed but rather from Cronulla. Then there was an image that was on the campaign landing page which was of an orange. That was a stock image that had been used. That was also outside of the basin. Once that was drawn to our attention, we removed or replaced all images that couldn't be 100 per cent verified as being taken inside the basin itself.

Senator RUSTON: Did you seriously put up an image of Turkey, or was it somewhere else in Australia?

Ms Agett: It was an image that was used from the department's image library.

Senator RUSTON: No, answer my question. My question: was it an image of a landscape in Turkey?

Ms Agett: It was an image that we sourced from our image library that we believed was from the basin, but it turns out that it was actually a stock image that had originally been taken in Turkey.

Senator SHARMA: So those images or posts which are not of the basin that were linked to the campaign have since been taken down?

Ms Agett: Yes. As soon as we were notified, the images were, like I said, removed or replaced.

Senator SHARMA: For the TV advertisement, which I'm familiar with, are all of the images of that from the Murray-Darling Basin?

Ms Agett: Yes, they are.

Senator SHARMA: They're all genuine images? Nothing has been created by artificial intelligence or anything else?

Ms Agett: Not by artificial intelligence, no.

Senator SHARMA: They are all genuine images?

Ms Agett: There is one image where CGI was used to show a potential future scenario where the environment—

Senator SHARMA: That's the apocalyptic image?

Ms Agett: Sorry? I didn't hear that.

Senator SHARMA: That's the apocalyptic image in the ad?

Mr Fredericks: That's your description. I think it was a legitimate attempt—an honest attempt—by the department and by the creative to give a sense of what a dry Murray-Darling Basin looks like. That was the purpose of the ad. Such an image right now, if we go out to the basin, isn't available to us, so we did the next best thing, which was to take an image of the basin and ensure that it could convey what a dry basin would look like. So we're upfront about that.

Senator SHARMA: Just a clarification: what's CGI? Is that 'computer generated image'?

Ms Agett: Imagery. That was actually an original image that was taken in the basin, and then we referenced historical images of when the basin has been in drought previously.

Senator RUSTON: Mr Fredericks, you said that you thought it was an honest and genuine attempt to show what the basin might look like if it was dry. I'm keen to understand where you draw the line in terms of like an anecdotal interpretation as opposed to actually using hard evidence to actually do that. The reality is when we were in the millennium drought we had people running around saying that our dams would never fill again, and nothing could be further from the truth. There has been some exaggerated hysteria around potential things. Certainly all of us want to see a healthy, sustainable Murray-Darling Basin. I'm just keen to understand your comments around the acceptability of this. As you say, you don't accept the word 'apocalyptic', but it was a pretty in-your-face picture that you've just admitted was computer generated. I'm keen to understand the evidence base behind the computer generation of an image that was obviously designed to shock, as to how you came up with that image on the basis of the evidence that you have before you that could happen under current circumstances? Sure, you could take all of the locks out and let the river run dry, but that's not going to happen. What is your fact base, evidence base and your reality check on putting an image like that in an advert?

Ms Connell: The image was developed by reference to a dry riverbed from the recent northern basin drought, where I think you'd appreciate conditions were unprecedented. The inflows reached levels that had not been seen before. The image that's used in the advertisement is based on referencing images from the last drought, between 2017 and 2019, in the northern basin.

Senator RUSTON: But you're also suggesting that something that happens in the northern basin, which you would know better than anyone, is in a completely different geological situation than what you were trying to depict by that image?

Ms Connell: We're happy to take that question on notice. I expect there are probably quite a few examples of similar situations in the southern basin in the last drought as well. We'll take that on notice.

Senator RUSTON: My point being that it's fine to take a place and a point, but you actually made the suggestion in that highly emotive advertisement that basically the Murray was going to run dry. Please take it on notice in terms of that. I just think it's not for governments to be so emotional, or the department.

Ms Connell: I think it's fair to say that the image probably represented quite a large portion, large sections, of the basin in the last drought.

Senator RUSTON: I'm happy for you to take that on notice.

Senator DAVEY: I would like you to take it on notice. If you were referencing what happened in the last drought in the northern basin, that begs the question: why didn't you use a real image of the northern basin in the last drought instead of a computer generated image of what could be Hattah Lake or something? I'll just pick you up on that point that it may have happened a lot in the last drought in the southern basin. If you wind back to the millennium drought, which was the lowest inflows on record in the southern basin, pre-Murray-Darling Basin Plan, the Murray River remained connected from the Hume all of the way to the lower lakes. Yes, the lower lakes dropped to the lowest levels, but there was still water and they were still connected to the Murray River. The Murray River did not run dry in the millennium drought. I would like you to take on notice and to bring any factual evidence of anywhere in the southern basin, other than the Lower Darling, where your statement is correct. That advertising campaign, as you can imagine, has concerned many people. As to a claim that in the next drought we can run out of food and water—any steps taken in the basin plan are not about protecting our food supply, because we're not allowed to use the water that you've recovered on growing food.

Ms Connell: I don't have the figures to hand. The last drought was not just unprecedented in the northern basin, it was unprecedented across the basin, as you would appreciate.

CHAIR: I think the point the official is making is that there were impacts across the basin. Yes, we all know you live in the basin, but maybe you don't live in all of it.

Senator DAVEY: I would even say in the northern basin we did not see anywhere as devastated as the imagery in that TV campaign, associated with the voiceover that is predicting our running out of food and water

across the basin in the next drought unless we do something. That ad basically tells me that the last 14 years of water reform that people in the basin have lived and suffered through has been a major failure because we're still going to run out of water in the next drought. That's what that ad tells me. I personally—

CHAIR: If we don't keep doing something about it.

Senator DAVEY: I personally believe that—

CHAIR: Is that not the hope?

Senator DAVEY: What are we doing with the 2,100 gigalitres of water we've already recovered?

Senator McAllister: In entirely understandable ways, some of the assertions you're making about the content of the campaign that's under discussion are inaccurate. I have the text in front of me, which as the chair has just pointed to says if we don't act it could threaten our iconic Aussie plants and animals, our food supply, and affect the drinking water of more than three million Australians. I think that is an important issue. I understand that implementation of the Murray-Darling Basin Plan was essentially agreed because those core propositions were agreed on a bipartisan basis; that water had been overallocated, that needed to be tackled, and that if we didn't do something about it collectively, driving cooperation between the Commonwealth and the states and territories, we would have a problem with the sustainability of our food and fibre industries, our towns and the ecological assets that sit in that system. That's the foundation of the plan. I understand the issues that you're raising, and officials are responding to them, but I do encourage you to deal with the actual campaign that's before you, rather than an exaggerated version that you prefer to put forward, a straw man that you would prefer to argue about.

Senator DAVEY: But the image, the computer generated image, you could also say, is an exaggerated image.

Senator RUSTON: To carry on with the example and the premise that you just placed on this particular ad campaign, the same could be said that, if we don't do something to increase funding to the aged care sector, we're going to see hundreds of thousands of older Australians not be able to get the care they need. I don't see the government running an ad campaign showing what the impact of that might be. We all know that we're all going to work to make sure that older Australians are looked after. As we're sitting here right now—

CHAIR: I think you've just made your own point.

Senator RUSTON: Excuse me. I'm not sure that I'm talking to you, Chair. I'm talking to the minister. My point being we don't go out there putting these scary images on the television of what might be if we don't do things. Would you support a campaign along these lines: if we don't continue to provide additional funding to our healthcare system, the consequences of that in terms of our hospitals is going to be really serious? But we don't show images of potentially what might happen if we don't do something. I would actually challenge your argument that, if we don't do something, the world is going to come to an end. Of course if you don't do things bad things are going to happen. So why have we chosen just with the Murray-Darling Basin to do this sort of exaggerated imagery, but we don't choose to do exaggerated imagery in other areas of policy?

Senator McAllister: This is a campaign that is designed to create better understanding of the Murray-Darling Basin's significance for Australia, the threats that it faces and what the basin plan is doing to deliver positive outcomes for communities and for the environment. I had understood that the coalition supported the Murray-Darling Basin Plan?

Senator RUSTON: We do.

Senator DAVEY: You didn't hear it come out of my mouth that we don't support the Murray-Darling Basin Plan. Do I support spending \$14 million on an advertising campaign that I think is exaggerating this, when we could have spent \$14 million actually looking to address fish passage, riparian health or many other things? To come back to your point, Senator McAllister, about dealing with the facts, the transcript of the ad does say we have to make sure there's enough water 'otherwise the rivers may run dry'. Now, that is a fact, but it's also taken out of context; it could be incorrect. You're creating an expectation as well that we will, through the basin plan, be able to prevent rivers running dry, which in particular in the northern basin we can't say. If it doesn't rain, it doesn't rain. It doesn't matter how much licence you've purchased and how many floodplain harvesting structures you bulldoze. If it doesn't rain, the rivers are going to run dry. It doesn't matter whether we've got a basin plan or not. I think the advertising campaign has been overly emotional. It's used false imagery. I don't see it as a good spend or a reasonable spend of taxpayers' money.

Ms Connell: You've raised a couple of issues there. I would just make the point—and we've discussed this in a couple of previous hearings—that it was environmental water that kept some of those northern basin rivers connected at certain points in the last drought, including the Namoi. So, yes, as I think you'd be aware, inflows into the Namoi were more than 80 per cent less over a two-year period than the previous worst drought. It was

environmental water that was used to replenish some refuges, provide a bit of connectivity, and some stock and domestic water. There's a similar situation in some of the other northern basin catchments. Just in relation to the tone of the advertisement, I will note that it was the subject of consideration by the regulator in relation to those issues, and the regulator dismissed the complaints. The regulator found that, contrary to the complaint, the advertisement explains that there are important but competing demands on the basin's finite water resources, for economic activity, communities, culture and environment, and also considered the tone of the advertisement. That decision is available on the regulator's website.

Senator DAVEY: I'm aware of the regulator's findings and I beg to differ, but we can move on.

CHAIR: Senator McLachlan.

Senator McLACHLAN: I have a couple questions on the advertising campaign—but they're questions! You mentioned suppliers on the campaign. Could I have a list of the suppliers?

Ms Agett: They're all available.

Senator McLACHLAN: One of them is obviously Clemenger. Did a written brief go to Clemenger for the campaign from the department?

Ms Agett: Sorry?

Senator McLACHLAN: A written brief to the advertising agency?

Ms Agett: There is a campaign process, and part of that is briefing in the creative agency, yes.

Senator McLACHLAN: Could I call for that document that tasked the advertising agency for its creative?

Mr Fredericks: We'll take that on notice.

Senator McLACHLAN: I'm not asking for it today.

Mr Fredericks: I have a suspicion our response to you will be it is cabinet in confidence. I want to give you a heads up about that now.

Senator McLACHLAN: No, that's fine. Could you go to the process—

Mr Fredericks: It is relevant to some of the questions that the senator has been asking. This campaign was approved in accordance with the advertising guidelines of the cabinet, which are very little different to the cabinet guidelines that have applied under the previous government as well. I have authorised program advertising campaigns under those guidelines over five years. A quintessential element of it is—and always has been—that the development of the campaign is under the auspice of a cabinet committee. Ultimately the report goes back to the cabinet committee. I suspect it will be cabinet in confidence, but we'll have a look at it for you.

Senator McLACHLAN: But that document would, whether it's under protection of cabinet deliberations, also be sitting in a file in Clemenger, wouldn't it? It would also be held by Clemenger, wouldn't it? You've given it to an external party?

Mr Fredericks: I presume that's right, yes.

Senator McLACHLAN: Now I'm going on to other matters. You can relax—back to the environment. Thank you to whoever gave me the comprehensive response to question on notice 216, which is about the state of the Murray and the Murray Mouth. I have some questions on the environment and, firstly, around the benefits of the flood to vegetation and fish. But obviously birdlife suffers as a consequence, as a trade-off. The response talked about a decline of around 50,000 birds. I notice the government has made a \$17 million announcement in relation to waterbird conservation in the Coorong Lower Lakes. I'm interested in whether we've had any planning in relation to the spending of that money for the wildlife and the birdlife?

Mr Fredericks: Do you have a reference number for that question?

Senator McLACHLAN: It was 216. That's prompted my question. I know the government has subsequently committed to \$17 million. So I'm interested in how we're going to spend the \$17 million to assist the birdlife in my home state?

Mr Whalen: In relation to your question about the announcement for the enhanced shorebird habitat project, what specifically would you like to know?

Senator McLACHLAN: Does that go to assist with the consequences of the flood or is it a discrete project? That's really where I'm coming from. We discussed the flood, and the flood has a trade-off between certain parts of the natural world and other parts of the natural world. Is this going to assist or is it a different or discrete project?

Mr Whalen: It's likely to assist in some ways, but it's a discrete project at the moment, and the objective of the project is to increase the quality, diversity and the availability of the shorebird and wetland habitat at a range of different sites around the Coorong, Lower Lakes and the Murray Mouth. In particular, it will deliver a range of localised infrastructure on those wetlands and floodplain flats. The concept is to increase the landscape resilience by maintaining those food webs and improving the habitat that underpins the breeding for those water birds.

Senator McLACHLAN: If as a result of the floods we've had a decline in birdlife, is it the case that, apart from that initiative, we're waiting for the rebalancing post floods for birdlife to recover?

Mr Whalen: I don't have that information in front of me, but there might be others who might be able to actually talk to that.

Senator McLACHLAN: We're just interested in the time periods on the rebalancing. We discussed last time that the floods had the trade-off.

Mr Johnson: When we spoke last time on this we were specifically talking about the shorebirds that are the focus of this project in the Coorong. More broadly, the floods actually provide a whole heap of benefit for waterbirds right across the basin. We saw large-scale waterbird breeding. Even in the most recent work that's being done in the Lower Lakes in Coorong we're seeing reasonable numbers of fish-eating species like cormorants, darters, pelicans—those types of species. What we're actually talking about is, with the higher water levels, we actually had a decline in the amount of available habitat for shorebirds. Projects like this that actually increase that habitat would be a benefit for those species. It's probably worth noting, though, that we have seen a lack of recovery in those shorebird populations even prior to the flood. This is really addressing a longer term concern for those species.

Senator McLACHLAN: I have another question probably for you. This was in response to my question on notice 216: 'Despite the widespread and dense growth of *Ruppia tuberosa*'—I hope I said that correctly—'the quantity of seeds in the sediment remained low; this is likely because of the impact of green algae.' What's causing the green algae? Is it a case of more environmental flows that will abate that, or are there other factors?

Mr Johnson: I understand with the algae that's been—and, again, this is not a new issue in the Coorong—

Senator McLACHLAN: Yes, I appreciate it's not.

Mr Johnson: We've had these impacts for quite a number of years. I believe the Healthy Coorong, Healthy Basin project has been looking to try to better understand what the drivers are of that. One of the factors is likely to be nutrients, but it's still not entirely clear what is fully driving that. At least that's the information I'm aware of. What we have seen is that we did get really good response during the flood, with lots of fresh water coming into the Coorong reducing those salinity levels. We do know that *Ruppia*'s success in recruitment is related to both water levels, salinity levels and the algae. But we have seen, after the high levels that we had during the flood, once again it's reduced quite significantly in its area. The South Australian government is investigating that, because I think everyone was quite surprised at that result.

Senator McLACHLAN: Do I look to the South Australian government for where we're going with that?

Mr Johnson: I'm going to another issue off that, which is the—

CHAIR: I'll give you another couple of minutes and then rotate the call. Depending on how long your block is, I can come back to you.

Senator McLACHLAN: I might share one on the Goolwa River Research Institute. Myself and the chair actually went to the launch. It's underway. We're very happy in South Australia.

CHAIR: We are. It's very good.

Senator McLACHLAN: My question is around some of the funding. Because of the delay in the funding and in the establishment phase—the funding still ends on 30 April—my concern is that we've sort of truncated possibly 48 months of research into a period of 33 months, and whether that's going to cause any issues in relation to the research or whether the government or the department is considering maybe extending the time for the research to be completed. I'm coming from an angle of we've funded it, it's up and running, it's up to the government to decide whether it renews funding. My question is not around the renewal; it's allowing the institute to have a bit more time, given some delay in getting it up and running.

Mr MacGregor: As you'd be aware, the research centre formally commenced in July last year after lengthy funding negotiations. We were aware of the Goyder Institute's concern around a compressed research timeframe. They've spent the best part of a year now on the establishment phase, and that's very much complete. As you're aware, they've focused on getting a physical presence in Goolwa, recruiting local staff, kicking off their engagement activities. As to our role in administering their grant program—we've only just received their first

year draft report and their research plan for the research program ahead. We were aware of those concerns at the program inception. To accommodate that conversation, we hardwired a mid-program review into the grant agreement. We wanted to give the institute, recognising it's a new, quite innovative, grassroots, ground-up research model, the chance to get some runs on the board, deliver some research outcomes that we could then evaluate and assess. But we'll do that through a mid-program review, including in the context of their research plan and how much time we have left in the funding to consider what's reasonable.

Senator McLACHLAN: When is that scheduled, so that I can ask you at another estimates?

Mr MacGregor: That would be mid-program, and so that would be mid next year.

CHAIR: Senator Roberts.

Senator ROBERTS: Ms O'Connell or Ms Connell—

Ms O'Connell: I know—they're very similar names.

Senator ROBERTS: Well, for the one with the 'O' or the one without the 'O', you said the plan water numbers were online. My office is pretty good at surfing the internet, but they clicked right through the website and couldn't find it. Could you send that link, please, that you offered?

Ms O'Connell: Yes. Just to be clear, that's the link on the report on the 450 gegalitre framework consultation?

Senator ROBERTS: Yes, and the water quantities.

Ms Connell: The overrecoveries?

Senator ROBERTS: Yes.

Ms Connell: We can provide you with that information.

Senator ROBERTS: How is the government implementing the Productivity Commission's recommendation on transparency and accountability for basin plan decisions? We've got a few here about the ACT. What information has the government released about the Australian Capital Territory Bridging the Gap project announced on 3 April?

Ms O'Connell: There was a press release on the ACT Bridging the Gap. The date of that release was 3 April 2024. There was a joint media release on ACT fulfilling its water recovery commitments under the Murray-Darling Basin Plan Bridging the Gap.

Senator ROBERTS: Has there been any more information?

Ms O'Connell: We're happy to provide you with more information.

Mr Southwell: The FFA, the Federation Funding Agreement, that relates to that matter has been published on the Department of Treasury's website.

Senator ROBERTS: The Department of Treasury?

Mr Southwell: It's a website for federal financial relations and FFA is there.

Senator ROBERTS: There are so many bureaucracies and so many departments. That's fine.

Mr Southwell: That's where all of the FFAs have to be published. That relates to the minister's press release. The FFA itself was executed on 14 March when the ACT signed it, and that provided the \$58 million for the 6.36 gegalitres of water that the arrangement related to.

Senator ROBERTS: So, 6.3 gegalitres, did you say?

Mr Southwell: 6.36 gegalitres.

Senator ROBERTS: That was to be my next question. Now my next question instead is: how much per megalitre was paid to the ACT, including previous payments?

Mr Southwell: This FFA is \$58.83 million for the 6.36 gegalitres, and that works out at \$9,250 a megalitre.

Senator ROBERTS: What part of the ACT is the water being recovered from?

Mr Southwell: The FFA itself doesn't require specific components from the ACT. The ACT has said that they will use the money received to implement long-term water management changes, including water sensitive urban design activities, incentivising community change to reduce water use and water quality improvement activities.

Senator ROBERTS: So, no specific water was released?

Mr Southwell: I think it's called the Halls Gap site—the Lower Molonglo.

Senator DAVEY: Only state—

Mr Southwell: No. The transfer of entitlements has occurred. It is with the Commonwealth Environmental Water Holder. The Commonwealth received a licence of 6.36 gegalitres. That comprised 4.9 towards Bridging the Gap, and an additional 1.46 gegalitres of water towards broader basin plan outcomes. That water has since been specified by Minister Plibersek as being held environmental water to contribute towards the 450 gegalitre target.

Senator ROBERTS: The water is no longer going to the ACT?

Mr Southwell: That water is now held by the Commonwealth Environmental Water Holder, that entitlement.

Senator ROBERTS: Is it water that's actually being held or is it water that will be held due to savings in the future? I didn't quite understand.

Mr Southwell: The entitlement has been transferred now.

Senator ROBERTS: Okay.

Mr Southwell: It's with the Commonwealth Environmental Water Holder.

Dr Banks: I can confirm that water entitlement was registered on 18 April to the Commonwealth's environmental water holdings.

Senator ROBERTS: So, part of that was part of the efficiency measures towards the additional 450 gig?

Mr Southwell: 1.46 gegalitres. ACT identified that they could deliver 6.36. Their gap that was remaining for Bridging the Gap—4.9. That's been met in full. So, the ACT no longer has a gap. With the additional 1.46, that has now been determined as contributing towards the 450 gegalitres, which means 1.46 gegalitres less that has to be recovered elsewhere.

Senator ROBERTS: When or how did officials agree to this socioeconomic criteria for the funding?

Mr Southwell: The department evaluated the offer that was made from the ACT. We provided advice to the minister, a comprehensive assessment around the water and the value that it represented and its contribution towards the basin plan, and provided advice to the minister accordingly.

Senator ROBERTS: I appreciate your answers being so direct and clear. Is that publicly available, that information?

Mr Southwell: The evaluation?

Senator ROBERTS: Yes.

Mr Southwell: No.

Senator ROBERTS: Can we get a copy of it on notice.

Mr Southwell: On notice.

Senator ROBERTS: We're six months out from the passage of the restoring our rivers bill. Have any new SDLAM projects been started?

Mr Ward: No new projects have been started. But as I mentioned earlier in the day, we're working very closely with our basin state colleagues on identifying ideas and progressing them forward. There were seven that were shortlisted by the basin officials committee earlier this year for the states to undertake further development of those, and the information on that is published on our department website.

Senator ROBERTS: Have any decisions been made on new SDLAM projects?

Ms O'Connell: Not by basin officials committees yet. There are prospective projects being worked on. We anticipate—and I gave this evidence earlier today—that New South Wales will be bringing forward a new project soon. They have advised us they intend bringing forward a new project soon and then basin officials will have a look at that.

Senator ROBERTS: What timeline is likely for new SDLAM projects?

Ms O'Connell: It really depends on the project in terms of how long it takes to deliver the project. The delivery timeframe for all SDLAM projects, which applies to new ones, is—

Mr Ward: There are three key dates. New projects have to be notified by basin officials by 30 June 2025. States then have until 30 June 2026 to either amend or withdraw projects, and then all projects must be in operation on 31 December 2026.

Senator ROBERTS: I take it it's too early to determine what the likely volumetric outcome is, much too early?

Ms O'Connell: Correct. It is a tight timeframe, as my colleague outlined.

Mr McConville: If I may add, the reconciliation process will occur, in terms of your question around volumes, after December 2026. The MDBA will be required to do a reconciliation after that.

Senator ROBERTS: Socioeconomic considerations—how is the government intending to meet the requirements to consider socioeconomic impacts of buybacks when it has such an unrealistic target, in my opinion, of recovery of 100 gigalitres per annum?

Ms Connell: As the draft framework makes clear, considering socioeconomic impacts needs to be a key consideration in each water recovery pathway. It really depends on the option being pursued, whether it's infrastructure, rules based or voluntary water purchase. But I can talk in more detail about the work that we're doing and the investigations we're undertaking in relation to potential water purchase. We're undertaking a range of work. There was a quite significant investigation into socioeconomic impacts of the basin plan quite a few years ago chaired by Robbie Sefton. She chaired a panel. The advice of the Sefton report was, given that there are really quite complex drivers of socioeconomic impacts in the basin—climate, drought, technology, labour inputs, energy inputs—it's important to look at multiple lines of inquiry to develop the evidence base.

So we're doing a couple of things. We're looking back. We've got the benefit of a range of reports that have been undertaken looking at socioeconomic impacts of water recovery options over the last couple of years. AITHER has done some work for the Murray-Darling Basin Authority, which has been a key reference point for us. Marsden Jacobs Associates, another firm, did quite detailed investigations for the Sefton review, and New South Wales has recently published a report which we've had reference to as well. I guess the other key significant thing that we're doing is most of those reports find that it's quite hard to actually pull apart what impacts water recovery has on regional communities, and it's important to have a discussion with communities to involve them in those issues. One of the key elements of the consultation we did around the draft framework was to seek very specific feedback about past experience of water recovery programs, past experience of community adjustment programs, and we're pulling that all together. We'll also be drawing on advice from ABARES.

Senator ROBERTS: My understanding is that it used to be the requirement that we must have a socioeconomic benefit. Now it comes down to, at the top of page 18 of your draft framework report, the 'Sustainable Communities program will seek to mitigate unavoidable socioeconomic impacts'.

Ms Connell: That's right.

Senator ROBERTS: Let's change the target.

Ms Connell: Our first order approach is to prioritise a non-water purchase option. We've talked quite a bit today about the fact that the infrastructure program opened in January and then the other kind of core program under the framework is the Sustainable Communities program. We've been working really quite intensively with stakeholders to get feedback on a draft of principles to guide how funding for community adjustment should be directed. So, we've received really quite extensive and clear feedback. There are seven principles that will form the foundation of the community adjustment program. The feedback largely supported each of those principles. Many of them were very strongly supported. There was a strong emphasis from local councils in particular. They've been closely engaged in the design of any community adjustment principles. So, that is something we will be definitely taking on board. We're currently working with basin states to look at getting funding arrangements in place so that funding can flow in the new financial year.

CHAIR: Senator Pocock.

Senator DAVID POCOCK: I have some questions about resourcing in the department. Yesterday the NT government gave the green light to fracking of the Beetaloo basin. I'm interested in whether the department is adequately resourced to consider the environmental impact of fracking the Beetaloo basin?

Mr Fredericks: The starting point of that is ultimately consideration by the environmental assessment team, who appear in outcome 2. They've already been at estimates. Is there anything we can add from a water perspective?

Ms O'Connell: From a water perspective, I think there was reference to the expanded water trigger, and the independent expert scientific committee that does the advice to the regulatory decision-making. My colleague Dr Banks can talk to the independent expert scientific committee and their work.

Senator DAVID POCOCK: In terms of expanding the water trigger to unconventional gas, is there any additional expertise or resourcing in the department since that decision?

Ms O'Connell: The regulatory decisions, as the secretary said, are in a different outcome. That's about the regulatory decision.

Senator DAVID POCOCK: I'm asking about resourcing.

Ms O'Connell: While I can't answer about resourcing for the regulatory decision, in this area we do have the independent expert scientific committee who do the water related assessments, and they're with Dr Banks. We can talk about the scientific assessment component of it and what they do.

Dr Banks: My division, the Environmental Water and Aquatic Ecosystems Division, provides support to the Independent Expert Scientific Committee. The committee has about eight members, and they've actually had a look at their own expertise and consider that they've got sufficient expertise to be able to support an understanding associated with unconventional gas and those sorts of other projects that have come through the expansion of the water trigger. My team in the department, the Office of Water Science, support and develop the assessment advice that would be provided to the IESC for them then to consider and ensure that they develop the advice as an independent committee.

Senator DAVID POCOCK: Have you been asked to provide advice on fracking in the Beetaloo basin and the impacts on water?

Dr Banks: As Ms O'Connell was saying, that relates to outcome 2, and evidence provided at outcome 2 last week was that there have been no referrals made. If there's a referral made, then there would be a consideration by the Independent Expert Scientific Committee.

Senator DAVID POCOCK: I understand there have been no referrals asking whether you've done any work looking at the impacts of fracking on water in the Beetaloo?

Dr Banks: Not to date, no.

Senator DAVID POCOCK: Do you intend to do any work on it, given—

Dr Banks: I think if a referral comes in and then that triggers an assessment of the proponent's material, environmental assessment material that they provide, and the IESC are well qualified to be able to assess that material and then provide advice to the regulator.

Senator DAVID POCOCK: The minister would have to refer it to you and then you would do the work?

Dr Banks: Yes, we would work with the IESC and then ultimately the IESC basically provide the independent assessment of any proposed approval that comes into the department.

Mr Fredericks: It will be the proponent that refers it into the EPBC process, as you know, just so we've got that clear. Secondly, you remember—we may have discussed it—that there was a considerable increase in budget resourcing for the Environmental Assessments Division in outcome 2. It was about \$120-odd million. You should assume that some of that will, of course, help better resourcing in order to consider these issues.

Senator DAVID POCOCK: Is the department aware of the huge impact that fracking can have on the health of water tables?

Dr Banks: Again, when there's a proposal that comes in through the referral process, that's the time to assess it because it might depend on scale and all sorts of other things that need to be considered. It's difficult to talk hypothetically about that sort of thing.

Senator DAVID POCOCK: What about, outside of the hypothetical, the evidence from elsewhere?

Dr Banks: I don't know that I'm in a position to be able to answer that. Again, I think once that information comes in through the assessment process all of that material will be carefully considered. If there are gaps or information that's missing, then that would be advice that would go back to the regulator for them to consider in making any regulatory decisions associated with it.

Senator DAVID POCOCK: As the Commonwealth Environmental Water Holder, you're not aware of the potential impact of fracking on water?

Dr Banks: In my capacity as the Commonwealth Environmental Water Holder, it's more that I'm as the division head responsible for it, not as the Commonwealth Environmental Water Holder.

Ms O'Connell: I think the distinction here is that it is the Independent Expert Scientific Committee who have the expertise in this who would provide the independent advice. So, yes, in a sense they're serviced by the department, but it is actually their individual independent expertise as a collective panel that would weigh up the deliberations and provide their advice. They make that advice public and it's published on the website. The panel, in their own right as scientists, have lots of expertise and have lots of studies, information, assessments and work that they've done that's relevant.

Dr Banks: Generally they'd have a meeting around a project. If a project comes in, the assessment happens and then the committee get together and draw on their expertise to be able to provide the advice.

Senator DAVID POCOCK: Minister, now that the NT government has waved through an environmental assessment is there anything stopping Minister Plibersek from referring this, applying the water trigger and looking at the potential risks to water in the Beetaloo basin?

Senator McAllister: I think you've been here so many times when we've indicated an unwillingness to speculate about a matter that ultimately might come before a minister for decision. There are really sound legal reasons why we don't speculate on particular projects. However, can I make this additional point? Ordinarily, personnel would be very happy to talk with you about the way the environmental assessment process works and the responsibilities and powers of the Commonwealth. Those staff aren't here today. They were examined last week over a course of all of a day and they're not here to answer those questions. I apologise for not being in a position to assist you, but these were really matters that did need to be dealt with. I understand there are recent developments that prompt your question, but we're just not in a position to deal with it today.

Senator DAVID POCOCK: That's why I'm asking you, representing the minister. I'm not asking you to speculate. I'm just asking: is anything standing in the way of you applying the water trigger to this in the Beetaloo?

Senator McAllister: You're asking me about the application of the law to a particular process, and I'm really just not willing to speculate about that.

Senator DAVID POCOCK: I'm not asking you to speculate. I'm asking you if there's anything standing in the way of applying the water trigger to fracking in the Beetaloo basin. How is that speculation?

Senator McAllister: You're asking me to make a judgement about the way the law might apply to a project that might be referred to the minister, and I'm just not willing to do that. I'm in particular unwilling to do it on a day that's been set aside to examine a question in a different outcome.

Senator DAVID POCOCK: My understanding is today is about water. But if you don't want to—

CHAIR: You have four minutes left, Senator Pocock.

Senator DAVID POCOCK: Can I go to the Upper Murrumbidgee now. It's been six months since the government committed to a package to improve the health of the Upper Murrumbidgee. I'm interested in whether the department is aware of the recent research showing that a lack of flow from Tantangara Dam is driving the Macquarie Perch towards extinction?

Ms Hickey: Just to clarify, the question you're asking is: are we aware of the research around the impact on the Macquarie Perch associated with the decreased flows? We are aware that there have been numerous studies. We are aware that the population for Macquarie Perch is under threat. It is a threatened species under the EPBC Act, as you know, and some of the latest studies do highlight that those populations are genetically isolated.

Senator DAVID POCOCK: As part of the commitment from government, one of the things to look at was adaptive flows based on environmental factors. I'm interested in what has happened over the last six months to progress that?

Ms Hickey: The commitments that have been made, in particular around the up to \$55.6 million, cover three main initiatives. As you know, there's the river health program, which includes on-ground work, science and monitoring, the review of the deed and the contingency reserve for additional flows. In addition to us progressing the design of those programs with the many and varied stakeholders across I think it covers about four jurisdictions and many different water management frameworks and legislation, as well as energy, we're getting to the point of working through the design of those programs so that they're ready for implementation early next financial year. In addition, New South Wales continues to work closely with Snowy Hydro on how they can better pulse and plan for the releases of the current allocations of Snowy Montane increased flows out of Tantangara Reservoir. In one of the programs that we're currently exploring, which is the review of the Snowy Water inquiry outcomes implementation deed, a key part of the discussions, in particular with deed parties, New South Wales, Victoria and our energy colleagues, are what are the fast-tracked items that we should be exploring for the deed to look at by the end of this year? One of those is: what can we do now under the current rules set for Snowy Hydro that could get better outcomes for the Upper Murrumbidgee?

Senator DAVID POCOCK: Regarding the \$30 million contingency reserve, you told Senator Davey earlier that negotiations are yet to be entered into with the Snowy in relation to purchase of water. Can I just confirm when there will be negotiations? I assume there need to be negotiations so that when the urgency of releasing water happens you're not then saying, 'So, about this new thing ...'; is that going to be in place going into summer?

Ms Hickey: Yes, that's absolutely correct. Earlier this year we had a look at the prevailing conditions and the allocations to the Snowy Montane increased flows as well as the bureau's seasonal outlook. It told us that we didn't need to land a negotiation framework urgently, which allowed us to spend some time on getting some of these programs up and running. In addition, we are progressing the design of the negotiation framework, so to speak, which would then support us to engage more formally with Snowy Hydro when needed.

CHAIR: We will now take a break.

Proceedings suspended from 15:31 to 15:40

CHAIR: Senator Davey.

Senator DAVEY: I have a couple of questions from outside the basin for the department and for the National Water Grid. I want to know about the deferral of a couple of the projects in Queensland, specifically Paradise Dam improvement project and Big Rocks Weir. I understand the Paradise Dam project has had a few issues. It was the original intent, with the money that was set aside—I think \$600 million from the Australian government to be matched by the Queensland government originally—to rehabilitate the dam wall. I get that there have been numerous engineering reviews of that concept and that has been found to not be satisfactory. The new project concept is to build a new dam wall downstream and then remove the existing dam wall. The \$600 million from the federal government in the budget has been deferred. The concern is that it won't be reinstated when the new business case comes forward. Could you put people's minds at ease?

Mr Simpson: The budget confirms the full \$600 million commitment to start with. There's \$50 million within the forward estimates to support the business case work and other preconstruction activities, and the \$550 million is deferred. However, I think it's also fair to say that is a more realistic time frame for delivery from hereon in terms of the time it will take to complete a business case, for that business case to be reviewed by both governments and Infrastructure Australia, and to undertake any new environmental approvals and the like that will be required. I think construction, whilst we don't have a time frame from Queensland, is not two years away as it was previously thought to be.

Ms O'Connell: The key here is that the \$600 million has been retained in the budget.

Senator DAVEY: That was my key question. I didn't want to think that the \$600 million has been deferred and will disappear. If I can reassure people in Queensland that the intent is still there, but it is subject to the new business—

Ms O'Connell: Retained. As my colleague said, it better reflects what will be the new timeframes given the changes.

Senator DAVEY: We haven't got a line of sight of the new time frame yet. I understand it's being led by Queensland. Have they given you a time line or an estimated time line?

Mr Simpson: I think the business case is underway. Queensland has already started that work, and they announced that earlier in the year. We don't have a set time line for completion of the business case or submission of a business case to us for consideration.

Senator DAVEY: The Big Rocks Weir, located on the Burdekin River, was originally \$38 million from the Australian government and \$30 million from the Queensland government, and that has also been deferred. Can you explain the reason for that deferral?

Mr Simpson: So \$34.75 million has been deferred, and \$3.25 million has been retained within the forward estimates. Once again, the funding is there to support delivery of the project. The Australian government funding is confirmed and committed and the funding that's in the forward estimates will support further planning work and investigations required to get the project to the point where it's construction ready.

Senator DAVEY: Again, are we just waiting on more from the Queensland government to be able to land that project? That's all for the National Water Grid. I also want to come to questions for the department on the Indigenous Aboriginal Water Entitlement program.

Mr Dadswell: Thank you very much for your question. I'll hand shortly to my colleague Ms Hedges. You might recall that last time you asked about this at last estimates we gave an update on where we were at with that program, and in terms of undertaking a range of consultations and engagements we're coming up to the end of that.

Senator DAVEY: My understanding with where we're at now from the reading I've been doing is that you've had a range of consultations with First Nations people. You've engaged water market consultant AITHER to design and model three potential entitlement investment portfolios; is that correct?

Ms Hedges: Yes, that was part of our consultation that we undertook, and we had a 'have your say' in the feedback that we received back. We've now been able to get AITHER to produce the actual model based on the feedback that we got.

Senator DAVEY: How much was AITHER paid to undertake that work?

Ms Hedges: I'll have to take that on notice.

Senator DAVEY: There is \$100 million set aside for the AWIP. There was also \$10.1 million in additional funds to support the program. So was the money paid to AITHER from the \$10.1 million?

Ms Hedges: Yes.

Senator DAVEY: You'll confirm on notice how much that was? Three distinct investment portfolios have now been modelled. Is there a single preferred option?

Ms Hedges: The feedback that we got back highlighted that they wanted a combination of those models. The three models that were put out to nations when we were consulting with them was around connectivity, geographic based, and a wealth creation. Overwhelmingly it came back almost fifty-fifty in terms of the priority to have a connectivity underpinned by wealth creation. That's the pathway we're going down as part of the modelling going forward.

Senator DAVEY: So the geographic one got knocked out? That's interesting. I understand that a request for tender for water broker services has now gone out?

Ms Hedges: Yes.

Senator DAVEY: Is that request for tender to actually have a broker start to purchase entitlements under these investment portfolios or is it just to engage the services of a broker in the future?

Ms Hedges: In the future, what we're looking to do is have a number of different avenues we will pursue for purchasing water. We haven't agreed on what that process would be because we're setting up the interim governance arrangement; we want to hear from First Nations about the process going forward. That's for a future act.

Senator DAVEY: I was going to ask about the governance arrangements. When the portfolio starts to be built, is there yet an agreed model for the management governance of this portfolio?

Ms Hedges: There's an agreed interim governance arrangement and that's imminent. We've gone through a recruitment process for that, and we're finalising the appointment of those people who have been successful, those First Nations representatives who have been successful for the advisory group and for the directorate. It's through that interim governance arrangement that we'll get the direction we need for the purchasing of the water when we go out to do that. Meanwhile, in the upcoming months, we will be going out and having more engagement with the nations out there about what that enduring model will be, whether that will be a trust, a fund or a water holder. It's important for us to have those conversations. We alluded to it as part of our previous consultation, but now we want to hear really what that enduring model is going to be and the types of governance and all of those bits and pieces that will be required around those. But we don't want to hold up any of the purchasing until we can then hand it across to that enduring model.

Senator DAVEY: So the purchasing can commence before it's been decided whether to be a trust, a funder or a water holder?

Ms Hedges: Correct. Because in this interim governance arrangement it's a hybrid model between First Nations representatives and the department so that we can go forth and do that purchasing while we're working through that other process of the enduring model.

Senator DAVEY: How many people will be or have been appointed to the advisory group?

Ms Hedges: On the advisory group, there will be eight people appointed, and on the directorate there are three people, two of whom are First Nations representatives.

Senator DAVEY: Are the advisory group all Indigenous First Nations people?

Ms Hedges: Everybody on those groups is Indigenous.

Senator DAVEY: That's eleven altogether and they will provide advice, oversee the direction of the investment?

Ms Hedges: Because it's a hybrid model and because government is involved in this, because we need to hold the entitlements until the enduring model is done, we have to abide by PGPA and other government situations. Ultimately that decision will be made from the PGPA perspective from that efficient use of funds. The advisory group has been set up to provide all of the policies and the principles for which the purchases will be undertaken.

There will be the normal things that you would expect to see in terms of audit, compliance, evaluation frameworks. There will be additional things that you might not normally see in a board in terms of cultural requirements, like the cultural lens that needs to be put on that, some ethics about what types of things would they like us to purchase or not. That advisory group will establish all of those policies and principles. The directorate will then apply their fiduciary duties in terms of responding to that principles and policy approach when the directorate is thinking about the decisions to purchase.

Senator DAVEY: For the water broker that may be engaged, will the funds to pay the broker come out of the \$100 million or the—

Ms Hedges: No, that's out of the \$10.1 million.

Senator DAVEY: Currently the hybrid model is under the auspices of the department. The department will effectively be purchasing the water, for want of a better word. But through water brokers it's a totally different model from current water purchases. It won't be an expressions of interest or an open tender; it will just be via the water broker, which I can see the benefits of. Does that fit the requirements of the PGPA expenditure model?

Ms Hedges: It will, but it won't solely be through the brokers either. We've got a number of different models that we can go out, and it would depend on the nature of the water entitlements that we're seeking to achieve based on the portfolio that has been put together for AITHER for us. It might be a broker, it might be open tender, it might be through expression of interest or it might be from market led proposals. There's a whole range of different things. Once that purchasing strategy is released to the public and the announcement is done, of course, there will be different processes undertaken for that depending on what location we're looking at.

Senator DAVEY: Have we got a time line for when we expect to see the purchasing strategy released?

Ms Hedges: Once the internal governance is established fully, the next process then is for the directorate to finalise the consideration of the purchasing framework, for it to go out, and then there will be a water announcement. So soonish.

Senator DAVEY: That's a technical term!

CHAIR: Senator Roberts.

Senator ROBERTS: The draft framework for delivering the additional 450 gigalitres per year outlined in the restoring our rivers bill provided more funding towards finalising the basin plan, but the budget indicated this funding was not for publication. How much funding is required?

Ms O'Connell: As you mentioned, the budget papers say that it is not for publication, and the reason for that is there will be potential for competitive tendering. You wouldn't normally publish the figures prior to going to a tender.

Senator ROBERTS: Thank you. I accept that.

Ms O'Connell: So it's not for publication.

Senator ROBERTS: What provision will be made to support the river communities that will be impacted by water recovery?

Ms Connell: We spoke about that a bit earlier this afternoon. The framework describes a Sustainable Communities program that's for community adjustment. The funding will go through states under federal financial agreements. The proposal is for a specific standalone program focused on supporting communities that need support to adjust, and for that funding to be provided through states who are best placed to work with local communities to build on their existing regional stakeholder engagement networks, and also to build on existing funding that's going into those particular communities that need to be the focus.

Senator ROBERTS: So federal funding through the states?

Ms Connell: Funding under FFAs, federal funding agreements.

Senator ROBERTS: Minister, this seems to be a continuation of the undeclared war on farmers. I've been to Dirranbandi in Southern Queensland, the border community there, and the same applies to Northern New South Wales. Senator Davey, I'm sure, will be concerned as well. Who gets the land after you drive farmers off? A lot of farmers have been driven off in Dirranbandi and other places. Who is going to use this land once you get rid of the farmers? For what purpose will they use it?

Senator McAllister: I don't accept the scenarios that you set out in your question. Nor do I accept your characterisation of our posture towards Australian agricultural communities. Our view is that a sustainable basin, a healthy working river, is essential to underwrite the future of food and fibre production in this country, to underwrite the future of regional towns that depend, as has been discussed earlier today, on adequate supplies of

clean drinking water, and also to protect our environmental assets in the basin. We think those three things are compatible with one another and, in fact, interdependent. The approach we're taking is working through a difficult and challenging reform. It now looks like it will be a multidecade reform. It's one that's been going on for many years. It requires cooperation between the states and the territories and the Commonwealth. It has been bipartisan. Regrettably, not very much progress was made in the decade that the coalition was in office. But in the two years we've been in government we have set about looking at the progress that's been made so far, what more needs to be done and putting in place the legislative arrangements, the financial arrangements and the implementation arrangements, to implement the basin plan in full.

Senator ROBERTS: Have you heard of the rewilding plan that's part of the United Nations Agenda 2030 as it is now? It was exposed in the United States. There are similar concepts here.

Senator McAllister: You'll have to table the United Nations documentation. I haven't seen that documentation.

Senator ROBERTS: What about hollowing out the bush? I've been to Moulamein in southern New South Wales and northern Victoria. What about compensation to supermarkets, small businesses in the areas who will all lose business with the water that's going to be taken, and with that lose the critical mass necessary to keep these towns going? Football teams are dying; sporting clubs are dying. What about the compensation for the people who are not on the land but who depend upon the people on the land?

Senator McAllister: Over the course of today we've had a few discussions about socioeconomic impacts, some of them in response to questions from yourself. I think you heard Ms Connor speak earlier about some of the research that's occurred already about the multiple drivers of change in Australian rural communities. You've also heard Ms O'Connell and Ms Connor speak about the approach to socioeconomic assessment in terms of any decisions that might be taken. You have, thirdly, heard just now a description of the approach that's proposed in terms of working with the states and territories to provide support for communities. I'm not sure how further to respond to your questions, but I do think a lot of information has been provided over the course of the day about the way we're thinking about these challenges in implementing the plan in full—something I believe continues to have bipartisan support, as confirmed by Senators Davey and Ruston earlier.

Senator ROBERTS: What is the total cost estimate to complete the basin plan?

Mr Dadswell: Current public commitments to the basin plan are around \$13 billion. That's over the life of the plan, over the last 12 years. There's about—

Senator ROBERTS: So that includes past—

Mr Dadswell: Yes, past programs and existing, and including the ones from the 2024-25 budget. There's around \$3 billion in publicly stated funding that remains against that \$13 billion to be spent.

Senator ROBERTS: Thank you.

CHAIR: Senator Ruston.

Senator RUSTON: I'm just following on to finish off my questions from quite some time ago on the Resilient Rivers Water Infrastructure Program. I was just wondering how the \$27 million of new funding for private applicants was determined.

Mr Whalen: Can you repeat the question?

Senator RUSTON: The \$27 million that's in the budget just gone for new RRWIP projects for private applicants was determined. How did you come up with that?

Mr Croucher: In terms of that Commonwealth led potential program, we're still in the design phase of looking at that. We've launched the Resilient Rivers Water Infrastructure Program for state led applications. Our thinking behind the Commonwealth program was that we might not be as broad and as far reaching with our opportunities for projects through non-purchase as we might be. Therefore, we've got two ways of looking at what that funding was for initially; it was to look at how we might better do water recovery from within the footprint of irrigation networks in particular, looking at—

Senator RUSTON: The footprint of?

Mr Croucher: Within irrigation networks, IISs, so that they could come up with a place based approach to water recovery that looks at the needs within the footprint. The second one was around broadening the reach around other water recovery opportunities through potentially local government or local land services or urban and other projects like that.

Senator RUSTON: Is that publicly available, that logic?

Mr Croucher: No. It's working on what the development process looks like there and what the quantum or what the scale of a program might be.

Senator RUSTON: When is that program likely, the details of that, to be finalised?

Mr Croucher: We're working with states and different stakeholders on exactly what—

Senator RUSTON: I thought you said it wasn't the states, it was a Commonwealth program?

Mr Croucher: But there's an appetite for the states; otherwise we end up duplicating and crossing over each other's programs.

Ms O'Connell: What my colleague was talking about when he mentioned the states in that reference is consultation with the states as well as the IIO. So, not that it's going through the states.

Ms Wall: I'll just probably add it's really meant to complement the 494 that we have through the current one.

Senator RUSTON: I'm just keen to understand: when will the details of the program be known? What's your deadline for finalising the details of this program?

Ms Wall: We're hoping to have those details in the next three months.

Senator RUSTON: So, we can assume by the end of August?

Ms Wall: That would be right?

Senator RUSTON: When will the details of the process for applying for that \$27 million be made available in terms of who, how and where to apply?

Ms Wall: Shortly after that August timeframe.

Senator RUSTON: Is the expectation that the closing date for those applications will still be 31 March 2026?

Mr Croucher: It's a bit too early to say at this point. We have to do that design program and look at what the upside is and also the nature of the types of projects and proposals that might come through that process.

Senator RUSTON: As to the \$27 million that's expected to be spent in 2024-25—I'm just trying to understand how that works. Is the \$27 million just on the program design, not the program itself?

Ms Wall: No, it's for delivery of projects. But it could be feasibility work. It may not be just construction.

Senator RUSTON: Has the government got a specific buyback target for 2024-25?

Ms Wall: In the Portfolio Budget Statements the department did include a reference to 100 gigalitres.

Senator RUSTON: Yes, that's what I thought it was. Firstly, can somebody explain this to me. You seem to use two terms here, 'government buybacks' and 'voluntary water purchase'. Is there a difference between those two terms? Do they mean two different things?

Ms O'Connell: We use the term 'voluntary purchase'.

Senator RUSTON: But they are government buybacks? There's the term 'government water buyback' and there's the term 'voluntary water purchase'. I'm just wondering, are they the same thing?

Ms O'Connell: Can you show us where the reference is? We use 'voluntary water purchases'.

Senator RUSTON: Is 'voluntary water purchase' water that's bought by the government?

Ms Wall: Yes.

Senator RUSTON: So, there's no difference in the terms?

Ms Wall: New South Wales has been using that 'water buyback' term, not the Commonwealth.

Senator RUSTON: To your understanding, if you were reading documentation from your stakeholder counterparts and you saw the term 'government water buyback', that would be an interchangeable descriptor for what you would use in your documentation, 'voluntary water purchase'?

Ms O'Connell: We use 'voluntary water purchase'.

Senator RUSTON: I'm just interested to understand why you don't use 'government water buyback'. Has there been a conscious decision not to use the term 'government buyback'?

Ms O'Connell: We use the term 'voluntary water purchase'.

Senator RUSTON: I know that; I heard what you said.

Senator McAllister: Senator Ruston, amongst other things the term that the Commonwealth chooses to use makes it clear that it is voluntary.

Senator RUSTON: Yes, it's really voluntary when your bank has got a gun at your head and it's threatening to close you down if you don't sell your water. I'm not sure I'd call that voluntary. Anyway, that's fine. I think I've got my answer. Was there a similar target for 2023-24, 100 gigalitres?

Ms Wall: If you look at the Portfolio Budget Statements—

Ms O'Connell: Starting on page 75, we're talking about, for the performance measures for outcome 4. On the second page, in the 2024-25 year: this is not the target for voluntary water purchase, this is the target for the increase in volume of water recovered to ensure environmental outcomes going towards the 450. The planned performance result is 100 gigalitres.

Senator RUSTON: Where do I find the 100 gigalitres for 2023-24?

Ms O'Connell: So, 100 gigalitres for 2024-25.

Senator RUSTON: What was the target for 2023-24?

Ms Wall: There is no target.

Senator RUSTON: You didn't need to recover any water in 2023-24?

Ms Wall: In 2023-24 it's very much focused on Bridging the Gap; on the page earlier in the budget portfolio statements—

Ms O'Connell: It describes several measures, but it doesn't set a numeric target.

Senator RUSTON: There was no target in 2023-24?

Ms Connell: I think we might take that on notice. Our corporate plan for this financial year had a particular target. We've been through a process of revising those targets following an ANAO review. Can we take that on notice? We don't have that information to hand.

Senator RUSTON: In terms of the 100 gigalitres that's listed on page 76 of the Portfolio Budget Statement, do you have an outline of your intentions in relation to the timing and the budget associated with that 100 gigalitres?

Ms O'Connell: We've already opened in January for the state led infrastructure. We're certainly welcoming proposals for infrastructure that will go towards this part of this target. So, that's open.

Senator RUSTON: In terms of timing, how about the budget? Where do I find the budget that sits against that? You're talking about buying 100 gigalitres or, in particular, getting 100 gigalitres. Not 'buying', 'getting'. With respect to that 100 gigalitres, what is the government's intention or the department's intention in relation to buyback?

Mr Ward: I think 100 gigalitres over the four years. It includes—

Senator DAVEY: No, gigalitres a year.

Mr Ward: No, I mean that there's 100 gigalitres this year and then 100 gigalitres next year. We've already got, I think, 26 gigalitres contracted in our public reports. Earlier today we said there's another 1.46 gigalitres from the ACT. So, that's up to 27 gigalitres there. We have a Resilient Rivers—

Senator DAVEY: That was for the Bridging the Gap. I thought this 100 gigalitres was for the 450?

Mr Ward: There was additional water associated with that, which has now been specified to count towards the 450.

Ms O'Connell: That was in relation to the ACT. Most of the water recovered from the ACT was for the Bridging the Gap, and they've fully met their target. There was an additional amount of 1.46 gigalitres from the ACT beyond the Bridging the Gap amount which is filled, and that applies to the 450. My colleague said 26 gigalitres contracted. Now, 27.46 is the new number for that.

Senator DAVEY: That's for the 450?

Ms O'Connell: Yes.

Senator DAVEY: I thought the 26 gigalitres was the Bridging the Gap tender that was just completed?

Ms O'Connell: They are very similar numbers.

Ms Connell: If we count the 1.5 gigalitres from the ACT, the contracted volume for the 450 is 27.5.

Senator RUSTON: Back to the 100 gigalitres that is the target for return to the bottom line for 2024-25, you said you're in the process of getting the necessary processes in place for projects to be submitted. I'm interested to understand, given it is actually this year, what budget is expected to be allocated against the securing of this hundred gigalitres?

Ms Connell: We're probably not in a position to specify specifically the budget. As we've kind of outlined today, there are a range of—

Senator RUSTON: You must have cut your constraints?

Ms Connell: There are a range of recovery pathways that we are looking at to contribute to the 450. One of them is overrecovery. With overrecovery the Commonwealth has already paid for that water.

Senator RUSTON: I'm not talking about the 450. I'm actually talking about the 100 gigalitres in your budget papers for 2024-25. Obviously, it's pretty imminent. We're not talking about things that you'll be seeking to do into the future. I'm talking about 2024-25.

Ms Connell: I'm happy to continue to answer the question.

Senator RUSTON: If you could just stick to the question that would be great.

Ms Connell: Yes, but it's not a simple answer. You'll have to give me a bit of time to explain. As we've explained today, there are various pathways that have been triggered to recover the 450. We've talked about infrastructure. There's a significant funding stream available for infrastructure. We are working with states to progress projects. The amount of money that's spent on infrastructure in 2024-25 will be subject to the sort of projects that states bring forward, but we've made a provision for a line of funding in the forward estimates. We are also looking at overrecovery. The approach to recovery to deliver on the 450 target—

Senator RUSTON: Can I just stop you again.

CHAIR: Senator—

Senator RUSTON: The question that the official is actually answering is not the question that I asked. In the interests of not wasting her time either—

CHAIR: Is there a point of clarification, then, in terms of what you're asking?

Senator RUSTON: Yes, there is.

Mr Fredericks: In fairness, the witness is answering the question. What she is explaining to you is there are a range of programs that will contribute to the 100 gigalitre target. The witness is saying that we're not able to tell you what the budgets are for each of those programs for 2024-25. Therefore, we can't answer the question in the way you would like.

Senator RUSTON: I actually had honed my question down specifically to buybacks. That's when I interrupted you the first time, to narrow the question down. I actually do understand that there are a range of projects. Let's be really simple: how much of the 100 gigalitres for 2024-25 do you expect is likely to be returned by buybacks?

Ms Connell: I'm not in a position to answer that at the moment. I'll take it on notice, but I will refer you to the fact that the provision in the PBS for voluntary water purchase is not for publication.

Senator RUSTON: I haven't got my computer here. I should have brought it. Am I right that the government published an average price for its price paid per megalitre for water for 2023-24?

Ms O'Connell: What we did publish was prices that we paid in terms of the recent Bridging the Gap purchases. As you know, specific catchments are not necessarily representative across-the-board, and it relates to specific water entitlements. We've been publishing those as we have contracted them, and there are still some yet to go. So, it's not yet an average even across the Bridging the Gap tender. Do you want me to go on with some further information about that, because we can.

Senator RUSTON: That's fine. I understand it's been a long day and it's been a long two weeks for everyone. I'm going to try to get everybody out of here before the final time. In terms of the various components, you've got Bridging the Gap, you've got SDLAM and your 450. In terms of the budgets that are required to meet those requirements, is there sufficient funding currently allocated in budgets to finalise closing the gap, to meet the SDLAM and to deliver the 450? If so, could you tell me whereabouts in the budget papers I would find those allocations? Even if it says 'not for publication', at least that would give me the confidence that it's actually there.

Ms O'Connell: I can tell you where they are in the budget papers. In the Portfolio Budget Statements, Budget Paper No. 1.3, page 27, it gives the measures announced since the 2023-24 MYEFO. You can see there that there is the 'not for publication' entry in terms of voluntary water purchase.

Senator RUSTON: So, that's the administered payment. I understand why it's not for publication. Can I just then ask you: is there sufficient funding in the not-for-publication components in your budget, taking the price of water and the price of projects at the moment, to actually deliver what you're seeking as the delivery you've put in, your 100 gigalitres per year going forward? Is the money all there and it's just not for publication?

Ms O'Connell: I think that would be turning a not-for-publication into a publication. The government is committed to implementing the basin plan in full.

Senator RUSTON: Can I just ask you quickly, then, about the Barmah Choke?

Ms O'Connell: Yes, certainly. That's, I think, for Murray-Darling Basin Authority.

Senator RUSTON: There's been a bit of speculation around the accelerated level of diminution of the channel. I was just wondering whether you could give me any confidence that at peak demand during summer the choke is not going to have an impact that would prevent us being able to deliver water delivery at peak?

Mr McConville: I'll get Dr Davis to comment in more detail. In the current circumstances, in the current year, we believe the likelihood of a shortfall is very low. Then, of course, there's the work being done, six streams of activity, to try to address the limitations of the choke, and to look at that going forward.

Dr Davis: The state of the choke, the capacity of the choke, is a concern to us. For this year coming, though, it really will depend on winter. If we go into one of those years that we start with high water availability, like this one might be, and we go into a really dry period, then we're going to be challenged about delivering through the choke. In the meantime, though, the projects that Mr McConville had talked about are at various levels that we're working through now. We're actually seeing some pretty good progress on that now. They were slow to start.

Senator RUSTON: Progress and projects on the choke itself?

Dr Davis: Yes, on the choke itself but also about bypassing the choke. So, not pushing water through the choke. All of those things will be available come summer. In the meantime, though, we've spent an awful lot of time—I've spent probably the last four years—working with the state officials trying to work out the mechanism of shortfall, practising shortfall drills, talking to our operators about how we use new tech to bring that into the space. I feel we're much better in terms of how we operate the system now than we were, say, five years ago. However, I can't sit here and say the risk is not there, because the risk is there and the risk is increasing as we go forward. This is the message I'm giving back to all of the joint governments about this in the space.

Senator RUSTON: I understand unique conditions are always going to provide different circumstances every year. But under normal conditions in the water operation there seems to be a concern that the channel delivery availability has deteriorated significantly; under what would have previously been an okay scenario it's not likely to be okay come next summer. I was wondering about the level of concern you have for that and the degree of mitigation you think can be achieved by the measures you are looking at?

Dr Davis: What we've got is that sand slug that we found in the choke a couple of years ago pushing into the narrows, as we call it now, into that sort of really constricted area of the choke. We've really been observing since about the 1980s probably a 20 per cent reduction in channel capacity from then to now. What we're seeing or what we're estimating is probably we're going to lose another thousand megalitres per day over the next 10 years if we do nothing. That said, though, we are doing something about it. Removing the sand or the sediment from the choke is one thing, but that's going to take a lot of discussion with local people, environmental impact assessment and things like that. In the meantime, I'm working very closely with Murray Irrigation Limited to use some of their channels to bypass the choke. I feel we can probably match what we've lost or keep track with that until we get into some of those major works, which will then help us get over the top of this. But it's going to be a journey, and it's going to be quite a long time, I feel.

Mr McConville: It behoves is to make sure that we look at all of those options and continue to progress them all. It's not going to be one or the other. As Mr Davis said, good discussions with MIL; and then we'd also look at understanding the impacts of land use patterns downstream as well. It's challenging and it's going to remain challenging. We've just got to keep exploring all of those options. As Mr Davis mentioned, I think people focus on the sand element and the removal of that. But that has its own challenges with the local communities on both sides of the river as well.

Dr Davis: This is against the background that the Murray does have these issues. The Murray has always had these issues. It's a very long river, from our top storage at Hume, Dartmouth, right through to the SA border, and with new crops coming in and changing demand patterns. My team is across that. We monitor that a lot. We've done a lot of work in that, too. Like I said, we're in a better position than we were.

Senator RUSTON: To your point itself, what control or influence does the Murray-Darling Basin Authority or from the Commonwealth or federal perspective have around that issue of new plantings, changing planting behaviour, changing irrigation requirements et cetera? We've known for a very long time that the Barmah Choke was causing us a degree of difficulty, and yet there doesn't seem to have been any overarching planning that would say, 'We can't just keep on putting more and more demand below the choke when this simply is a physical

constraint there that says it can't be delivered.' Do the states and territory have any requirement to actually talk to you about what's going on?

Mr McConville: One of the joys of federalism.

Dr Davis: Yes. One of the joys of the agreement is, no, there's no real formal thing to say to us, 'Yes, we've got this development and can you check?' It starts at Lower Murray Water. Lower Murray Water reached out to us and the Victorian government back in the day, going back 10 years now; they were very concerned about some of these developments. They felt they didn't have the controls in place. Victoria then has put controls in place, or their minister has acted on this. New South Wales, I think, is facing the same issue now. I'm hoping that over time they will come to the same realisation, that they need to have some sort of development controls based on water delivery aspects.

Mr McConville: But not as yet.

Dr Davis: Not as yet.

Senator RUSTON: To that end, what about water purchase and moving water? Have you got control over that; you combine water from above and below constraint?

Dr Davis: We've got the Barmah Choke trade restriction in place.

Senator RUSTON: Yes, but more generally?

Dr Davis: More generally, no.

Senator DAVEY: The government's water purchasing program, too; that's the key.

Dr Davis: Is that where you're going?

Senator RUSTON: I don't think that's—

Senator DAVEY: That's where I'm going.

Dr Davis: We can go there in a bit.

Senator RUSTON: I'm just generally interested. It seems to me you've been tasked with a job, and you've got one hand tied behind your back, because the states and territories are just happily issuing planning and water use licences to allow water to be used that you can't necessarily deliver.

Dr Davis: The issue comes from that movement of water. No-one's taking any new entitlements from the Murray. There's a cap in place or SDL in place. It's just the movement of water. What we've seen to date is a lot of water move out of the Torrumbarry system further downstream. That's still downstream of the choke. We've put the trade restriction across the choke, and that limits that water from the Upper Murray rushing through. I think if we lifted it, we would see gigalitres and gigalitres move downstream of the choke through trade. So, that's in place. Water coming in from the tributaries—Victoria has moved on the Goulburn as well. They've kind of put a restriction on the amount of water that can potentially, theoretically, move out of the Goulburn into the Murray. A lot of this water is feeding those developments. We don't get a lot of say in that in terms of purchasing. I think, going back to water initiative principles, water is moving to its highest value use, and all those sorts of things, and so this is just what's happening. As to the trade of water—we're not saying to any farmer, 'You can't grow this; you can grow this.' It's also about a free market.

Senator RUSTON: I absolutely 100 per cent agree with that.

Dr Davis: It brings challenges. I'll agree with you.

Senator RUSTON: So, you can grow whatever you like. We don't have a problem with that. But you don't get to choose necessarily where?

Dr Davis: There are some interesting things that Victoria brought in as well about extraction shares they've got now. I think Victoria is out the front of the pack with this, I have to say, and they're leading the way. I'm sort of hoping that especially New South Wales gets on board with that sort of approach. Unfortunately, the poor old MDBA is meant to deliver all of the water that's meant to be delivered. We don't have to deliver any new water, of course. But, yes, we're just expected to meet all of these demands.

Senator RUSTON: I'll put you on notice for the next estimates. I'm going to be very interested to hear how you think that whole scenario around water delivery downstream for next summer is likely, following a bit more work on those—

Dr Davis: I think in the next estimates we'll have a much better idea how spring and summer are looking.

CHAIR: Senator Davey.

Senator DAVEY: While we're talking about the choke, which is the most widely discussed constraint in the system, the MDBA was given \$7 million for a constraints road map.

Mr McConville: It was about \$3 million. There were two components of that seven. One was for First Nations work that came out of legislation, and then the constraints. I think the constraints road map was just slightly over \$3 million.

Senator DAVEY: That is due to report at the end of this year?

Mr McConville: That is correct.

Senator DAVEY: Are you on track?

Mr McConville: We are.

Senator DAVEY: The question on everyone's lips who lives anywhere near a constraint is: what has happened to the multiple reports that have happened previously on how to address constraints? Why are we back here? The joy of the basin plan is its business case after business case, review after review, and there's a lot of paper being used, but very little action on the ground, in particular when it comes to constraints.

Mr McConville: Certainly, there has been a lot of discussion by states in terms of the delivery, and the delivery of constraints rests with the states. What we're trying to do through the road map process is work with the states to try to get some commonality of approach. That's part of the problem; everyone has got a slightly different approach. Everyone is leaning in in different ways. Part of that work will be to understand what's gone before, but in terms of what else it might deliver, certainly not a deeper analysis of the importance of constraints. I think we all recognise the importance of constraints in supporting the delivery of the basin plan in full. It's really about how can we get common terminology across state borders that allows us to be focused on the right things. It allows us to even talk about constraints in the same way and identify some of the blockages that might be there between now and 2026 and then beyond 2026. So, that's the approach that we're taking.

Senator DAVEY: The budget papers did identify \$100 million in 2026-27 to be allocated towards constraints. I'm hoping that means we will be in a position to actually do something about constraints by 2026-27?

Mr McConville: I'll pass to my Commonwealth colleagues in terms of \$100 million. Certainly the road map will hopefully provide some enlightened pathways around the focus of where perhaps some of that investment might go.

Senator DAVEY: It now being the end of a very long two weeks of estimates, I really appreciate everyone coming, and that's all I have. I've got a few further questions, but they're quite detailed so I'll put them on notice.

CHAIR: Excellent. We will now conclude today's hearing. I'd like to thank all of the witnesses who've appeared. I'd like to thank Hansard, the secretariat, broadcasting—all of those amazing people—and remind senators that the committee has agreed that any written questions should be lodged with the secretariat by 14 June. We now stand adjourned.

Committee adjourned at 16:30