

COMMONWEALTH OF AUSTRALIA

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Senate

Rural and Regional Affairs and Transport Legislation Committee

Estimates

(Public)

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Canberra

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**RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE**

**Friday, 8 April 2022**

**Members in attendance:** Senators Antic, Davey, Grogan, McDonald, Patrick, Roberts and Walsh [by video link]

CROSS-PORTFOLIO MURRAY-DARLING BASIN PLAN MATTERS

**In Attendance**

Senator Ruston, Minister for Families and Social Services, Minister for Women's Safety

**Department of Agriculture, Water and the Environment**

**Executive**

Mr Andrew Metcalfe AO, Secretary

Ms Cindy Briscoe, Deputy Secretary, Enabling Services Group

Dr Chris Locke, Deputy Secretary, Environment and Heritage Group

Mr James Tregurtha, Acting Deputy Secretary, Major Environment Reforms Group

Ms Lyn O'Connell, Deputy Secretary, Water, Climate Adaptation, Natural Disaster and Antarctic Group

Mr David Hazlehurst, Deputy Secretary, Agricultural Trade Group

Ms Rosemary Deininger, Deputy Secretary, Agriculture Policy, Research and Portfolio Strategy Group

Mr Andrew Tongue, Deputy Secretary, Biosecurity and Compliance Group

**Australian Bureau of Agricultural Resource Economics and Sciences**

Mr David Galeano, Assistant Secretary, Natural Resources Branch

**Commonwealth Environmental Water Office**

Mr Hilton Taylor, Acting Commonwealth Environmental Water Holder/First Assistant Secretary

Mr Michael Wrathall, Assistant Secretary, Wetlands, Policy and Northern Water Use Branch

Mr Hilary Johnson, Assistant Secretary, Southern Water Use, Aquatic Science and Community Engagement Branch

**Compliance and Enforcement Division**

Mr Peter Timson, First Assistant Secretary

Mr Richard Chadwick, Assistant Secretary, Environment Compliance Branch

**Corporate and Business Services Division**

Mr Lionel Riley, First Assistant Secretary

Mr Troy Czabania, Assistant Secretary, Governance and Parliamentary Business Branch

**Finance Division**

Mr Paul Pak Poy, Chief Finance Officer

**Legal Division**

Ms Alice Linacre, Chief Counsel

Ms Cassandra Ireland, General Counsel, Legislation Practice Branch

Mr Jadd Sanson-Fisher, General Counsel, Biosecurity, Exports and Compliance Legal Practice Branch

Ms Amy Nichol, General Counsel, Commercial, Information and Agriculture Legal Practice Branch

Ms Jane Temby, General Counsel, Environment, Employment and Litigation Legal Practice Branch

**Inspector-General of Water Compliance**

The Hon. Troy Grant, Inspector-General of Water Compliance

Mr Daniel Blacker, Deputy Inspector-General of Water Compliance

Ms Bridgett Leopold, Deputy Inspector-General of Water Compliance

**Murray-Darling Basin Authority**

Mr Andrew Reynolds, Acting Chief Executive

Mr Tim Goodes, Executive Director, Basin Plan Portfolio

Mr Andrew Kremor, Acting Executive Director, River Management Portfolio

Ms Annette Blyton, Chief Operating Officer, Business Services Portfolio

Ms Kelly Casey, General Manager, Legal and Government Relations Branch

Ms Megan Winter, General Manager, Basin Plan Implementation, Water Resource Plan, Accounting Branch

Dr Matthew Coleman, General Manager, Applied Science Branch

**Water Division**

Ms Rachel Connell, First Assistant Secretary

Mr Chris Golding, Acting Assistant Secretary, Strategic Water Policy and Engagement

Ms Kirsty Bunfield, Assistant Secretary, Regulation and Governance Branch

Ms Susan Buckle, Acting Assistant Secretary, Policy Reform Branch

Dr Peta Derham, Assistant Secretary, Regional Program Delivery Branch

Mr Marcus Finn, Basins Policy, Science and Indigenous Branch

**Committee met at 09:00**

CHAIR (Senator McDonald): Good morning, everybody. Welcome. I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2022-23 and related documents for cross-portfolio Murray-Darling Basin Plan matters. The committee has before it a program listing agencies and divisions relating to matters for which senators have given notice. The committee has listed Friday 20 May 2022 as the date for the return of answers to questions taken on notice. Senators are encouraged to provide any written questions on notice to the committee secretariat as soon as possible following the hearings.

Under standing order 26, the committee must take all evidence in public session. 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 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 to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes 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 a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has resolved that an officer of a department of the Commonwealth shall be not asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate from 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which will be incorporated in 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: Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

Senators, departments and agencies have been provided with advice on the arrangements in place to ensure that the budget estimates 2022-23 hearings are conducted in a safe environment. This guidance is also available from the secretariat. The committee appreciates the cooperation of all attendees in adhering to these arrangements.

Inspector-General of Water Compliance

[09:04]

CHAIR: I now welcome Senator the Hon. Anne Ruston, Minister for Families and Social Services and Minister for Women's Safety, and the Hon. Troy Grant, Inspector-General of Water Compliance. Minister, do you or Mr Grant wish to make an opening statement?

Senator Ruston: I don't, but Mr Grant may well.

Mr Grant: I would appreciate the opportunity. I would like to inform the committee and update you on several matters since our last appearance at this committee, regarding my work plan as well as my response to the Senate committee's report on the Water Legislation Amendment (Inspector-General of Water Compliance and Other Measures) Act 2021. Since I last addressed the committee, the office has continued to work towards meeting our work plan commitments that are published on our website. I'd like to advise the committee of a minor amendment to the work plan which will be published, as I'm required to do, on our website in the coming weeks. The first audits and outcomes of consultative assessments undertaken by my office will also be published via my website from May 2022 onwards. We have completed several significant rounds of recruitment, with all senior leadership positions now being filled, and we have several graduate rotations currently underway or completed in our office.

We are working with the department on options for positions which may be suitable for the Indigenous Apprenticeships Program, given we have multiple regional locations available. Our office continues to establish its operational independence and work with the Department of Agriculture, Water and the Environment, being the department, to form supporting administrative arrangements. I thank the secretary, Deputy Secretary Tongue and First Assistant Secretary Timson, from Compliance and Enforcement Division, for their ongoing support. Our office, since the last committee meeting, has finalised a memorandum of understanding with the Murray-Darling Basin Authority, and we are in the final stages of completing our multilateral MOU with each of the basin jurisdictions. The MOUs will embed key principles in the way our agencies work together and build on our common values of integrity, accountability, respect, trust and transparency.

Finally, I have considered the recommendations of the committee's report, as I referred to earlier. A number of the recommendations relate to areas of responsibility of the Australian government or the department, and a number of them—being recommendations 1, 2 and 3—relate specifically to the Inspector General of Water Compliance. In regard to recommendation 1, the Inspector General of Water Compliance and the MDBA, as I've just alluded to, have established and finalised our MOU. We intend to enter into the multilateral MOU with the basin jurisdictions and complete that by mid-2022. The MOUs, as I've alluded to, are embedded by key principles. Regarding recommendation No. 2, the Inspector General of Water Compliance intends to work with both the Commonwealth and state agencies via the previously mentioned MOUs.

In addition to the Inspector General of Water Compliance, I chair the regulatory leaders forum, which I established, bringing together state representatives to discuss matters of priority in compliance reporting. It also forms a forum to discuss various improvements to compliance and oversight activities as well as being a key forum to provide information on future work plan priorities. Regarding recommendation 3, in relation to finances, under the 2022-23 ministerial budget statement, we have been allocated $3.2 million of funding to provide the office, over two years, funding to improve trust and increase transparency in water management. The funding, titled 'Supporting the Murray-Darling Basin—Building community confidence in water compliance', will enable our office to further build on the relationships we have established and are establishing via our field officer network across the million square kilometres of the basin.

In closing, I'd like to thank the members of my team. The office have been working extraordinarily hard over the past eight months. We currently have nine open investigations. Since I last spoke to you, we have closed four investigations. We have four significant audits in train. Two are trade compliance related and two relate to water resource plan compliance. Thank you for your time. I look forward to taking your questions, with Deputy Blacker and Deputy Leopold, who are both here today.

CHAIR: Thank you very much. Senator Walsh.

Senator WALSH: Mr Grant, I'd just like to follow up on some of your last comments there, on the $3.2 million over two years for the office in relation to the water compliance field officers program. Can you provide an update of how many field officers your office currently employs?

Mr Grant: We have a director of field operations. We have five field officer positions—one is currently under recruitment processes. They're located at Albury, Mildura, Loxton, Narromine and Goondiwindi.

Senator WALSH: How many field officers do you have in each of those locations at the moment?

Mr Grant: A single field officer, but in those offices there are also other members of our office that perform other functions.

Senator WALSH: How many additional field officers do you anticipate that the funding you've received in the budget will enable you to employ?

Mr Grant: We currently have seven positions under recruitment to meet and assist us with the budget allocations. Some of those won't necessarily be field officer positions but may form communication roles to assist the field officers in the communication on the ground, as well as more broadly.

Senator WALSH: Is the intention to add those staff to the five locations that you are already in or is the intention to open [inaudible] field offices?

Mr Grant: That audio dropped out at the end of your question, sorry.

Senator WALSH: Is the intention to add the new staff to the existing field office locations or to open new field offices?

Mr Grant: There are no plans at this early stage for additional field offices in those locations, but that's not something I would rule out in future. We've started to create what I would describe as some regional hubs, which assist with the work in our office across the different functions. We have a number of staff at different offices. For example, we have three in Albury, three in Mildura—in those regional locations—two at Loxton, two at Goondiwindi. The recruitment processes that we're undertaking will add, I believe, to those numbers.

Senator WALSH: I want to clarify whether the intention is to hire additional people in the category of field officer with the budget funding that you will receive?

Mr Grant: Sorry. Can you repeat the question, please?

Senator WALSH: Am I having audio problems?

Mr Grant: It just fades out a little bit at the end.

Senator WALSH: With the $3.2 million that you've got are you intending to employ people in the category of field officer?

Mr Grant: In the future potentially, but the current round of recruitments isn't for addition field officers; it's in relation to roles that support the field officers, including authorised officers for the compliance function of our office.

Senator WALSH: Have you had a chance to figure out, with the additional funding, how many new field officers you can recruit?

Mr Grant: No, the funding hasn't come through as yet. It's obviously got to pass the House as a bill. So, we're planning on that, but we won't finalise those plans until the budget measures are complete.

Senator WALSH: Is the thinking that any additional field officers would be located in the existing field offices?

Mr Grant: Any addition or increase in field officer presentation could be at current locations or, potentially, new locations. Where we've identified and located the field officers gives us good geographical reach. It also allows us to have connectivity between the field officers where they are reachable, given the large geographical size of the basin. It also complements the location of other members of our office, providing a good working environment for efficiency and effectiveness in what we're doing.

Senator WALSH: In relation to that $3.2 million provided for in the budget, are there any additional activities which that funding will go towards?

Mr Grant: It will go towards communications, as I alluded to earlier. We weren't provisioned in our establishment with any funding for communications. That didn't come across in the machinery of government arrangements, and that's a critical part in allowing me to do my job pursuant to the act, which requires that, under legislation, I communicate with the basin community and the Australian community. That will play a critical role in the funding allocation as well.

Senator WALSH: Finally, to clarify that, are those communications roles different from the field officer roles? Are you thinking different people with different sorts of skills? What will they probably be doing?

Mr Grant: Yes, that's correct. The recruitment of a communications director has just been finalised, and they're currently being onboarded. Our communications director will help us establish the exact roles, relationships and functionality between each of those jobs that complement the field officers and the functions that they play. There will be a couple of generalists in those roles that can work across different skill sets in our office, as well as specialists with specific communication specialist skills and other engagement or subject matter expertise.

Senator WALSH: Thanks very much, Mr Grant.

Mr Grant: You're welcome, Senator. Thank you for your questions.

CHAIR: Senator Antic.

Senator ANTIC: These are questions about buy-backs. Can I put those to you, Mr Grant, or the department?

CHAIR: I think that might be for the department. Do you want to wait until the department comes on at the end of this section?

Senator ANTIC: Yes, I might hold on. Thanks, Chair.

CHAIR: Senator Grogan.

Senator GROGAN: I'm interested in getting an update on your progress on metering. You spoke to us at the last hearing about coverage, accuracy and timeliness being your key focus areas. I'm wondering if you can give us an outline of that work, in terms of the accuracy and coverage, since you last spoke to us.

Mr Grant: It's a critical part of our work, and a lot of attention and effort has gone into that. I'll let my expert in the field be more specific to the answers, but when we were established, it's fair to say that the states were at very different places with regard to the metering rollout and their capacity. Before I hand over to Deputy Blacker, I'd like to compliment the states for the progress that they've made in the last eight months, and I'm confident that, whilst we're not there yet, we're on a much-improved pathway. We've still got a long way to go, but, particularly in relation to a recent agreement at the regulatory leaders forum about the way that we'll be reporting the updates, we're actually measuring outcomes and apples with apples, rather than using a very difficult way to understand the progress that is being made or not across each of the jurisdictions. So—

Senator GROGAN: Can I just pick up on a few things before we go to Mr Blacker?

Mr Grant: Sure.

Senator GROGAN: What do you anticipate that reporting is going to look like, and how long do you think it's going to take for us to get that in place? I think you were talking earlier about starting to post various things on the website from May. What's that reporting and monitoring going to look like?

Mr Grant: It's a scorecard effectively. We built the original template. We took it to the regulatory leaders' forum and now we have a working group to refine and improve that scorecard. The important thing in improving these areas is shared ownership of it. We want the states and jurisdictions to buy in and own that product. They currently report under the compliance compact. The majority of that compact has been achieved. Obviously metering is still outstanding. I'm really confident in the work my team, led by Deputy Inspector-General Blacker, is doing with the jurisdictions. It will be in the form of a scorecard. It will be more easily digestible by the Australian public as well as those who are experts in the metering space.

Senator GROGAN: Good.

Mr Grant: I don't want to steal Deputy Inspector-General Blacker's thunder. He's a legitimate expert in this field.

Senator GROGAN: Mr Blacker, could you also cover off on what proportion of water users don't have a licence, if you have that, and what you're finding in terms of the number of meters that are not compliant with Australian standards.

Mr Blacker: Sure. There are a few things I will pick up on. The inspector-general talked a little bit about the reporting piece we're doing. I will pick up on the metering market as well.

We've been doing some research to understand the supply side, which is one of the key things when you have a particularly difficult and complex supply chain. We have delivery, installation and validation of meters—there are lots of moving parts in that supply chain. We've been looking at understanding each of those. We have broken the supply chain down into 21 component parts and looked at each of those individually with all the relevant stakeholder areas to try to answer one simple question: is the supply market capable of delivering what is required for the reform? We're quite confident to say that the commercial market for non-urban meters can meet the supply needs for the reforms. It's particularly acute at the moment in New South Wales where there is a lot of active reform. It's also going to become acute in Queensland as they roll out new metering policies.

There's a lot of work going into that. It has been an area of contention for a while, but we're quite confident that that supply market can supply. It has been growing over the last couple of years—the number of accredited meters is increasing.

Senator GROGAN: Do you have a quantum?

Mr Blacker: Yes. Available now are 15 meters that are compliant with the Australian standard. They're meters for up to 1,800 pipe diameter. We can see moving through patent approval processes a number of meters that will go to larger pipe sizes. We're confident that that market is growing and the investment by private meter manufacturers is there to meet that demand.

Senator GROGAN: I note your comment about the states working quite productively with you on some of these issues. Do you have a sense of what portion of the states are further ahead? Which states are doing better than others? New South Wales, unsurprisingly, probably has more challenges than others. In terms of more accurate and widespread water metering, are there large variations between the states?

Mr Blacker: Particularly on accuracy. The compliance compact has a commitment from all jurisdictions to move to more accurate meters by 2025. Different jurisdictions are on different pathways moving towards that time frame. You can see a lot of that reform on the ground at the moment within New South Wales. Those numbers are updated quite frequently. The New South Wales Natural Resources Access Regulator publishes the most up-to-date numbers on those.

I have got numbers in front of me—just very quickly—to give you an idea. For tranche 1—so these are meters in northern New South Wales over 500 millimetres—in July 2021 they were 23 per cent compliant. By September that year they had moved to 54 per cent compliant and by December that year they had moved to 69 per cent. So you can see within a very short number of months a fairly sharp increase in compliance. New South Wales are into tranche 2 meters at the moment. That's in particular again northern inland and those less than 500 millimetres. I think they are running education and compliance campaigns at the moment within New South Wales about those reforms. Again, New South Wales NRAR is the best place to get the most-up-to-date numbers for those.

Senator DAVEY: Do other states publish this information as well? I know New South Wales's information is AS 4747 compliant. Are other states AS 4747 compliant or are they compliant with their own standard?

Mr Blacker: It's a range. Part of what we're trying to do with the metering scorecard is to get to a simple comparison across all the jurisdictions so that's nice and clear. We've got all of the states engaged in working with us on that scorecard at this time. It varies. Victoria published their numbers. South Australia also published some numbers. Queensland is at the moment just finalising their metering policy, so they're not yet into the implementation phase; but, as I said before, they've got till 2025. We're monitoring closely to ensure they've got a pathway to compliance and improved accuracy by 2025.

Mr Grant: They provided with us the draft, and from what I've read I'm confident in the direction they're heading in Queensland.

Mr Blacker: It is a range. Different jurisdictions are at different points, but New South Wales are probably giving the most-up-to-date live tracking of that information. They're doing it tranche by tranche. They've got three tranches. They're in the middle of tranche 2, and those numbers are going up pretty frequently. Every three months or so they're updating the numbers.

Senator GROGAN: Have you taken any compliance action or investigations relating to meters to date?

Mr Blacker: We have not specifically in relation to meters. We've got nine current investigations. They all relate to water trade rules. We are the enforcement authority for the basin plan water trading rules. All nine of those relate to that. We've closed four. None of those 13 have related to metering offences. We do have two which we referred to South Australia. I'd have to check, but at least one of those was not metering. One of them may have had components related to metering. As the Commonwealth regulator, when we receive information of potential non-compliance relating to metering, we refer that to state regulators. They then get the first opportunity to pursue. That they have the metering offences; we have the water theft offence. We then work with state jurisdictions to ensure that they get an outcome on those metering investigations.

Senator GROGAN: Do you find that that division of responsibility or ability to act is challenging, or does it work well enough?

Mr Blacker: At the moment, my summation would be that it works well enough. It is challenging at times. It's more about the education of people getting to know who we are, what we do and how we fit. That's an ongoing conversation right across the board, not just in relation to water theft or metering but in all aspects of what we do. As the inspector-general mentioned before, we have a regulatory leaders forum where we have the senior executives in each jurisdiction responsible for compliance. We meet quarterly and we work pretty collaboratively through those issues. It's not perfect at this point in time, but we are building that kind of maturity and understanding of what we do as a business. At this point, there are no significant issues from our perspective.

Senator GROGAN: Thank you. Mr Grant, you mentioned you are recruiting a comms person. Is part of their role going to be about building awareness and an education piece about your role?

Mr Grant: Absolutely.

Senator GROGAN: Do you think that's one of the critical pieces for the success of your organisation?

Mr Grant: Without question. It's probably nearly the most important thing. The challenge we have there is that the myths that are out there need to be busted to get some independent truth and transparency on issues. We have to stop people marking their own homework and putting up information that is incorrect and erodes trust. We've got to stop people out there with an agenda pushing what erodes trust. What really startled me as the interim inspector-general was when I was provided with some research conducted by the MDBA through Orima, the company that did the research, which indicated that, of licence holders in the basin—don't quote me on the exact figure, but it's pretty close—only 27 per cent knew they were actually in the Murray-Darling Basin. So there are some really poor foundational knowledge issues out there that we feel lost with, as we don't have a statutory specific education role to play. It's absolutely incumbent on us to provide the educational piece in all our communication.

Senator GROGAN: Thank you very much.

CHAIR: That's a pretty shocking number, isn't it?

Mr Grant: I was shocked. I will provide the actual figure on notice to the Senate.

CHAIR: It would be interesting to understand, was there a geographic element? Is that data more surprising in a particular part of the system?

Mr Grant: It's not my data or my research. The authority owns that. They did me the courtesy of providing that to me during the interim stage. We have engaged Orima, who already have skin in the game and understand the issues, to help build our survey work, where we will build on that information and that lack of knowledge in our annual survey so we can measure and independently examine how we're tracking in getting that education out there and whether the trust and confidence in us across the basin is improving because of our efforts or not, so we can move.

CHAIR: It gives you a great baseline to measure your success.

Mr Grant: It gives us a baseline. We're in the final stages of constructing that. I have some meetings with the executive and leadership to finalise that survey in the coming weeks. That will be a really critical part of our comms piece. We will provide that to the Senate so you can track how we're going as well. Everything we do is transparent and will be published.

CHAIR: Very good.

Senator PATRICK: In relation to the office at Loxton, how many people are involved—the FTE?

Mr Grant: Two—one field officer and one person that works in our monitoring team.

Senator PATRICK: So basically you're spread out across the basin so that people can get access to you pretty easily?

Mr Grant: Yes. They can access people. We have three in Adelaide as well, so there are five in South Australia currently. We're happy to recruit more if more people respond to our advertised roles. It doesn't matter where they come from in the basin; we can accommodate them.

Senator PATRICK: In your role as Inspector-General, now that you have been empowered by the parliament, have you had any complaints or representations to you in relation to indiscretions or theft or inappropriate use of water? Have any complaints have been made to you yet?

Mr Grant: Yes. The deputy referred to two that we referred back to the South Australian regulator. There was another one where our field officer was given information about a drug crop in the area. That's not part of our remit, but we passed that on to South Australian Police, for example. It's a really good ears and eyes field intelligence capability.

Senator PATRICK: Is that right across the basin. or just South Australia?

Mr Grant: They are the two formal ones we have referred, and the third one from South Australia at the moment. I would have to check with our director of field operations.

Senator PATRICK: In relation those, how do you then prosecute, not in in a litigious sense, but prosecute an investigation? What's the response to those sorts of allegations? What's the process?

Mr Grant: They're investigated by the primary regulator, being the South Australian agency in this case. We monitor and oversight the outcome result of that.

Senator PATRICK: So you refer it to the relevant authority in the relevant jurisdiction?

Mr Grant: Yes.

Senator PATRICK: I seem to recall that under the act they carry out their work and you intervene only in circumstances where you are not happy.

Mr Grant: That's the step-in provisions, that's correct. We've had no cause for that.

Mr Blacker: That's particularly in relation to the water theft defence. There are particular provisions in the act in relation to that water theft offence that require us to provide that to the state regulator in the first instance. But we're also seeing that we've got pretty active state compliance agencies. In South Australia, for example, there were 33,000 education letters from 1 July 2020 to 30 June 2021, 263 direction letters, 210 administrative sanctions, 159 compliance breach reports and two criminal investigations. So we've got active regulators, and those stats are reflected in each of the jurisdictions. What we're doing is trying to get to a reporting regime where we can do those with common definitions and common reporting language and common numbers so that they're comparable from jurisdiction to jurisdiction. That's another piece of work we're doing with states at the moment. It will take us a little bit of time because you've got to go back and reset their frameworks and collect that data, but what we're seeing is pretty active state regulators, which means a lot of what's coming to us are things where we're the direct enforcement agency, and that's particularly Basin Plan water trading rules.

Senator PATRICK: Do you have MOUs in place with the state governments in relation to exchange of reports in relation to breaches or allegations?

Mr Blacker: The MOU that the inspector-general mentioned in the opening address is currently under development. We've been working with state regulators for some months on that now. I think we're up to a third draft version of that. We're hopeful that it won't be too far away before we finalise the detail on that.

Senator PATRICK: Will that require a legislative change in the context of swapping information?

Mr Blacker: No.

Senator PATRICK: Thank you.

CHAIR: Thanks very much, Senator Patrick. I believe that bring us to the end of questions for you, Mr Grant. Please go with the committee's thanks.

Department of Agriculture, Water and the Environment

[09:37]

CHAIR: I now welcome Mr Andrew Metcalfe AO, Secretary to the Department of Agriculture, Water and the Environment; Mr Andrew Reynolds. Acting Chief Executive Officer of the Murray-Darling Basin Authority; and officers of the department. Mr Metcalfe or Mr Reynolds do you wish to make an opening statement?

Mr Metcalfe: No, thank you, Chair.

CHAIR: Senator Grogan.

Senator GROGAN: I would like to talk about the Water for the Environment Special Account report. Was the second report tabled in the last sitting week?

Ms O'Connell: No, the report was not tabled in the last sitting week.

Senator GROGAN: Minister, at the last estimates you told us that 'the one thing I can commit to is that the minister will comply with the requirements'—referring to the requirements of the act. On the evidence of Ms O'Connell, it sounds like the government has not delivered on that commitment.

Senator Ruston: The tabling of the report? I might seek some advice, but my understanding is the tabling of the report is due by the 15th—

Senator GROGAN: Before the budget.

Ms O'Connell: No, I can—

Senator GROGAN: I have the Water Act here in front of me. It says, quite clearly, in section 86AJ(8)(b) that the second review should be tabled by the time the Treasurer presents the budget to the parliament for the 2022-23 financial year.

Ms O'Connell: That's referring to the government's response to the review. The actual section just above that deals with the tabling of the actual WESA report review itself and it says that the government is obliged to table the review 15 sitting days after the minister receives the report. The minister received the report on 20 December—

Senator GROGAN: Which was somewhat late.

Ms O'Connell: Fifteen sitting days would take to 9 May the date he is required to table the WESA report itself. The section you are responding to is the government's response.

Senator GROGAN: Has the response been tabled?

Ms O'Connell: No.

Senator GROGAN: So that is a breach of the Water Act?

Senator Ruston: The normal process is that the requirement for the report to be tabled would sit with the budget. The response would be tabled at the budget, which is normally in May. Normally, they would coincide. Because the budget was brought forward this year, they didn't coincide. I'm not sure if that was an oversight in the legislation, but I think it was something to do with the changing of the budget timing.

Senator GROGAN: That would mean the original report was three months late anyway. It was due on 30 September. It wasn't given to the minister until December. It has been discussed at length in these estimates hearings and we've been assured that it would be tabled by the budget. At the time, Minister, you would have known that the budget was going to be in March.

Senator Ruston: I think a lot of these things are embedded in legislation on the basis of a normal period. Because of the election, the timing has changed. That's my understanding.

Senator GROGAN: But the act hasn't changed. The act says quite clearly that it must be tabled by the 2022-23 budget.

Senator Ruston: That was on the basis that the assumption was that the 2022-23 budget would be like every other budget that you normally see—a May budget. That's my understanding.

Ms O'Connell: Senator Grogan, it is paragraph (7) that talks about the tabling of the actual report. Paragraph (8), which you read out, relates to the government's response.

Senator GROGAN: The point is moot given that neither of them is available.

Senator PATRICK: And they don't have to be tied together. You don't have to wait until the response is tabled to table the report. You can meet the requirements of the act and then table the response at a later date.

Ms O'Connell: The legislation, when it was written, contemplated budgets being held together in May. You can see the timing of the production of the report, and the release, to coincide around budget time. What the legislation—

Senator GROGAN: To be really clear: I don't think the legislation is of the 'Maybe we'll comply with it, maybe we won't' kind. Sometimes things change. Things do change, but the law remains the law. This, to me, looks like constituting a breach of the Water Act.

Senator Ruston: I'm more than happy to speak to the minister and get some more information for you. I'm running a little bit blind. I'm more than happy to get you a response.

Senator GROGAN: It looks like this is a situation of running the clock down and trying to avoid scrutiny. Yes, the report to the minister was originally late. But there is no good reason why the minister, if he were acting in good faith, wouldn't just release that report and then comply with the various aspects of the act that we're talking about here.

Senator Ruston: I have no reason to believe that the minister isn't acting in good faith. In the absence of having had that conversation with him, I'd prefer to have an opportunity to come back to you with an explanation before we suggest that he is not acting in good faith; I'm sure he is.

Senator PATRICK: Perhaps he could tabled it today as part of these proceedings.

Senator Ruston: I'm happy to speak to the minister's office in the break, but my explanation is my understanding of the situation.

Senator GROGAN: Could we ask the minister to table it at these proceedings. Maybe we could get an answer to that before we finish today.

Senator Ruston: As I said, I'm not the minister. I'm happy to take that on notice and to do my very best for you.

Senator GROGAN: If you could do that before we finish today and we can get an answer, that would be very helpful. After the last hearing, when you made that commitment to the government abiding by the delivery of the report by the budget, did you have a conversation with the minister about that and advise him of the commitment?

Senator Ruston: First of all, I need to be clear that the tabling of the report does not coincide with the budget; that's the response. As you can see there are a number of officials sitting around me, including, through the cameras, the minister's staff, who would have been well aware of the proceedings. As I said, I'm not the minister; I'm only the representing minister. I have committed to you that I will take on notice the request that you and Senator Patrick have put to this committee, and I will endeavour to do my best to respond to your questions today.

Senator GROGAN: But my question is: did you speak to Minister Pitt about the commitment you made to this estimates hearing in February?

Senator Ruston: I speak to Minister Pitt a lot about—

Senator GROGAN: Did you mention to him that you had made that commitment?

Senator Ruston: I honestly can't remember. As I say, Minister Pitt would have been well aware of my comments in this hearing.

Senator GROGAN: That would imply it's an intentional decision not to do so.

Senator Ruston: No, I think you are jumping to conclusions there. I have, in good faith, offered to do my best to respond to the concerns you've put on the table this morning, and I would respect the fact that I will be allowed to do that and not continue to make suggestions when we don't have enough information to make the kinds of accusations you're making.

Senator GROGAN: The information I have in front of me is that the Water Act has not been complied with.

Senator Ruston: And I said I was happy to seek some further clarification in relation to the issue, for a further explanation, and that's exactly what I will do.

Senator GROGAN: It would be good if we could have an understanding before the hearing finishes today.

Senator ANTIC: I have some questions about buybacks for the department. Can someone tell me whether or not the governments of Queensland, New South Wales and Victoria have ruled out buybacks?

Ms Connell: I would have to take that on notice in relation to Queensland. My understanding is Victoria and New South Wales both strongly oppose continued buybacks in the Murray-Darling Basin.

Senator ANTIC: I think Queensland does as well, doesn't it? Given that at least those have, can you give me some idea and detail as to why water buybacks have been taken off the table, of some of the criticisms that have been levelled against the program?

Ms Connell: Minister Pitt made it quite clear when he released the 2020 Murray-Darling Communities Investment Package that buybacks would no longer part of the program of measures in relation to implementing the Murray-Darling Basin Plan, on the basis of the negative socio-economic impacts that buybacks had caused throughout the basin. Those impacts are detailed at some length in the report prepared by Robbie Sefton, which we refer to as the Sefton review. A key focus of her quite long investigation was looking at the socio-economic impacts of implementing the Basin Plan, in particular the buybacks.

Senator ANTIC: Can you give us an idea of some of those? What were some of those socio-economic impacts?

Ms Connell: Basically reducing the consumptive pool in key irrigation communities throughout the basin. Off the back of the Sefton review, the economic development program is a program which is designed to try and inject money and economic development back into those communities. I think there were about 30 or 35 communities that we were focused on in terms of delivering the third round of the economic development program.

Senator ANTIC: You mentioned the consumptive pool. What is the consumptive pool in South Australia—that would include both the irrigation and the Adelaide water supply.

Ms Connell: I would have to see if Mr Reynolds is able to provide you with information about the South Australian consumptive pool.

Mr Reynolds: South Australia's entitlement flow includes 1,154 gigalitres of water that can be made available for consumptive use. South Australia has chosen to issue entitlements of, just in excess of, 800 gigalitres against that entitlement. I don't have the precise number but it's less than the full consumptive entitlement they could have.

Senator ANTIC: If there was an option to recover water in South Australia, without industrial and urban water, for example, what would those options be?

Mr Reynolds: Let me refer back to the department, who have been doing the work on the recovery program.

Dr Derham: In relation to South Australia, projects other than industrial and urban, as you referred to, we are currently in negotiation with South Australia on a number of urban projects, which you have just touched on. They're looking how they can better reuse and reticulate water in those urban settings, better watering for sports fields without drawing on the urban water supply. So there are some fantastic opportunities down there.

In relation to other options, we are also talking to South Australia about a couple of projects. There has been for some time now, if you are familiar with South Australia, a prospective project in the Barossa also leading to less draw and demand upon the River Murray system itself. It's more industrial in nature, but there are some other pipeline type projects looking at lessening the impact on the River Murray for town water supply. So there are some pipelines in some of those key areas.

We have done an enormous amount of work already with South Australia, in terms of on-farm opportunities. You might recall the on-farm program that has recently been closed, as we've opened up the new off-farm water efficiency measure program. But we're still working with about 20-odd farmers, small properties, to close out that project. We're seeing small amounts of water returned with water efficiency savings on property. Most of the other big irrigation districts have been caught up in previous efficiency savings projects. So we have done a fair bit of work in South Australia already, in terms of off-farm and on-farm related projects.

Senator ANTIC: We've talked about this hypothetical. What would be some of the impacts of water buybacks, the scheme, if that were to be introduced, of recovering water through the buyback scheme?

Dr Derham: Some of the impact, by way of example, is that if you sell out of entitlement it's no longer available in that system for irrigation purposes. So you've already had a direct impact in the amount of water available for productive output. If you're not producing, with that water, you're not buying supply chains or you're not buying inputs to your farm property anymore you have less production going out. So you have that in-and-out supply change restriction. That leads to a downturn in the economy in the local towns. You're then seeing flow-on impacts to the community, with families leaving the district and other businesses being impacted. We've heard the impact of families leaving the district with children leaving schools. So there's a significant flow-on impact.

If you do bespoke buyback, you're having that random impact on communities as opposed to reinvesting and trying to enhance the production and future stability of those systems and those irrigation—

Senator ANTIC: Because of the cascade effect.

Dr Derham: Yes.

Ms O'Connell: Senator, I can point you to the report that was done, that Ms Connell made mention of. It's called the *Independent assessment of social and economic conditions in the basin*. That's the Sefton review report that's often referred to. Minister Pitt released that on 4 September 2020, which was part of the announcement of no more buybacks because of the impact on the communities, as amplified in that report, and announced the Communities Investment Package, which is about putting the communities back at the centre of the Basin Plan, to avoid the sorts of impacts that Dr Derham mentioned.

Senator ANTIC: As a final question from me, what power does the Commonwealth actually have to take water allocations away from the states?

Dr Derham: We have the legislation in place that requires the Basin Plan to establish an environmentally sustainable level of take. As part of that, the Australian government made a commitment to ensure that we can reduce that consumptive demand to that sustainable level of take. The Basin Plan sets out what the water recovery target is by saying, 'We need to come to this level of take,' and so the difference from where we were to where we need to be is set out in legislation. Schedules 3 and 4 of the Basin Plan set that out by individual resource units for both surface water and groundwater systems. So that's the legislative base in terms of the sustainable level of take that's required.

Then, on how the governments go about doing that, the Australian government made the commitment, in terms of a policy decision, to come in and work with both the communities and the state and territory governments in the basin to facilitate that transition. We have used a suite of initiatives to do that, both buyback and infrastructure related projects, since 2009.

Senator PATRICK: I want to ask questions in relation to the appointment of a new CEO to the Murray-Darling Basin Authority. I don't know whether I should direct this to you, Secretary, but can just you just describe the process that the government went through in relation to that particular employment, including advertising and—

Mr Metcalfe: As you're aware, the previous CEO, Phillip Glyde, advised the minister back in November about his planned retirement from the Public Service and as the CEO of the MDBA. Effectively what has happened is that Mr Glyde has retired as CEO and has returned to the department as a senior officer, but he's on long service leave prior to his retirement and so he's not coming back to work. I think I acknowledged last time his service over many, many years. We went through the standard process associated with the merit based selection of APS agency heads. The position was advertised in the national press and on APS Jobs. We engaged an executive search firm to assist running the process and, beyond applicants who simply responded to the advertisements, to identify any other suitable applicants.

Senator PATRICK: What date was the ad, just to get some finer detail?

Mr Metcalfe: The advertisement appeared on 7 January on APS Jobs and online on Seek and LinkedIn and on the department's website. It was advertised in the national press in the *Fin Review* and the *Australian* on 14 and 15 January.

Senator PATRICK: I won't go to personal details, but how many respondents were there to the ad and also through the executive search request?

Mr Metcalfe: We received 19 applications and there were an additional five people approached by the executive search firm who expressed their interest in the position. So a total of 24 people were considered for the role. Mr McConville was one of the people who applied for the role.

Senator PATRICK: So he was one of the 19?

Mr Metcalfe: Yes.

Senator PATRICK: Can you take us through the rest of the process.

Mr Metcalfe: Applications closed on 30 January. Through February and early March, we went through the standard process of short listing, interviewing, doing referee checks and getting endorsement of the process by the APS Commissioner.

Senator PATRICK: So 'we' is the APS Commissioner and someone else?

Mr Metcalfe: 'We' is the selection panel, Senator, chaired by me and consisting of the chair of the Murray-Darling Basin Authority, Sir Angus Houston, the Public Service Commissioner, Mr Peter Woolcott, and a former, retired, very senior public servant Ms Anthea Tinney. We then went through that process together and ultimately provided advice to the minister.

Senator PATRICK: So, of the 24 people, how many did you downselect to present to the minister?

Mr Metcalfe: Seven people were interviewed by the panel. Ultimately we determined that three of those people would be suitable for the role, and we provided that advice to the minister as to those three people.

Senator PATRICK: What date did you provide that to the minister?

Mr Metcalfe: About 23 March.

Senator PATRICK: On what date was a decision made, as opposed to an announcement?

Mr Metcalfe: The minister then needed to identify his preferred candidate from those three, which he did. He needed to take that into the cabinet process, which he did. Following the cabinet meeting, which I think from memory was the day before the budget—so it would have been last Monday week—it then went to the Federal Executive Council meeting about last Thursday from memory.

Senator PATRICK: So it has to go to the Governor-General?

Mr Metcalfe: Yes, it does. It's a statutory appointment.

Senator PATRICK: So the process is that the minister makes a recommendation to cabinet, cabinet endorses the recommendation, then it goes to the Federal Executive Council, and then the Governor-General appoints.

Mr Metcalfe: The Executive Council is chaired by the Governor-General, and that's the formal decision to make the appointment—

Senator PATRICK: Yes, the constitutional—

Mr Metcalfe: The minister then subsequently announced the appointment.

Senator PATRICK: Thank you. The total remuneration package for Mr Glyde was, I think, something around $450,000. It's in the annual report. What package has been offered to Mr McConville?

Mr Metcalfe: It's determined by the Remuneration Tribunal, and the total remuneration package is $443,390.

Senator PATRICK: That was certainly the package that was reported in the annual report for Mr Glyde. Mr McConville will spend of lot of time getting up to speed. There's a lot of difference between mineral research exploration and the Murray-Darling Basin, which is a complex beast.

Mr Metcalfe: Without wanting to go into the decision, the panel was very satisfied as to all three candidates. Mr McConville is certainly someone that we regarded as being a very outstanding candidate. Whilst, over the last couple of years, he has been involved in the particular industry that you referred to, he's got a much longer background in agricultural areas. Indeed, he worked for the Victorian Premier's department in this area.

Senator PATRICK: My question was not intended to be in any way negative. It's an accepted proposition that someone takes on a job and that over time they get more experienced and maybe get remunerated differently.

Mr Metcalfe: You can say that for many jobs. It's an appointment for a number of years. We all regarded Mr McConville and the other two candidates as fine people who could undertake the job. Everyone brings a slightly different background and experience to it. I certainly will work with Mr McConville—as will Sir Angus and others—as he settles into the role of being an agency head and as he becomes familiar, which I'm absolutely confident he will, with the issues associated with the Murray-Darling Basin. Indeed, at interview he displayed a very good understanding of those issues just from his own research.

Senator PATRICK: The reason I made that comment is that sometimes you look at the annual reports, and they'll say that a band 3 gets a range of X to Y dollars, but it's not the case for this appointment.

Mr Metcalfe: This is a Remuneration Tribunal position, so you get what you get.

Senator PATRICK: Thank you. I have one question for Mr Reynolds. I'm mindful of my time block, and I think I can get this one in, in the allocated time. I'm mindful of the ruthless chair that we have! Mr Reynolds, I will declare I did see you in the cafe and I did warn you I was going to ask this question. There is nothing improper about that. It allows him to prepare. At the last estimates, you made this statement:

The volume of flow from the northern basin to the Murray is around 14 per cent, and flood-plain harvesting is a much smaller component of that. Changes to flood-plain harvesting have a minimal impact on the Murray system.

Senator PATRICK: The 14 per cent number differs from previous numbers that have been bandied around, which were somewhere between 39 and 41 per cent. Can you help the committee understand the difference between that number and what you gave to the committee last time?

Mr Reynolds: That number was based on the modelling that was undertaken for the Basin Plan, and it has been continually reviewed since then.

Senator PATRICK: The 14 per cent or the 41 per cent?

Mr Reynolds: The 14 per cent. The way that has been calculated is that the average flows in the Murray at Wentworth, just downstream of the Darling junction, are about 7,200 gigalitres a year—just over 7,000—and the average flow at Burtundy, the point just upstream of where the Darling comes in, is about 900 gigalitres, so that calculates to about 13 or 14 per cent of the flow. So about 13 or 14 per cent of the flow in the Murray is contributed, on average, from the Darling system.

Senator PATRICK: What sorts of numbers are being talked about in terms of take in respect of flood-plain harvesting?

Mr Reynolds: In the original Basin Plan, the flood-plain harvesting volume was estimated to be 46.3 gigalitres. In what New South Wales put forward in their water resource plans in 2020, which are now being reviewed again, that was increased to 243.9 gigalitres, reflecting a better understanding of the processes of flood-plain harvesting. When the Basin Plan was formed, it was always recognised that the understanding of flood-plain harvesting was limited and there would be better estimates of that come forward in due course.

Senator PATRICK: In terms of the argument that is taking place in New South Wales about flood-plain harvesting and what is proper and what is not proper, of the 243 gigalitres, what is the argument being talked about in New South Wales?

Mr Reynolds: That is a revised estimate of the volume that has been taken by flood-plain harvesting in the current practice, so that's the volume that would be reflected in the baseline diversion limit. New South Wales have recognised that, to come within their SDLs, they will need to reduce take, and they've committed to winding back flood-plain harvesting to some extent.

Senator PATRICK: To how much? What number will that change to?

Mr Reynolds: We're yet to see that come forward in their settled water resource plans, so we're still waiting to see that. I don't have the numbers for how much that will be changed. I think an important thing to recognise with flood-plain harvesting is that it is water that's out on the flood plain, and there is some uncertainty as to how much of that water would make it back to the river if it were not taken for productive use as well. So it's not as simple as to say, if there were no flood-plain harvesting, there would be another 243 gigalitres at the end of the system. That's not how that system works.

Senator PATRICK: I understand it is quite complicated through ground water as well. But, in terms of that 243 gigalitres, what sort of quantum of change will it be? I know you're saying you don't know the answer in terms of what would be in the water resource plans, but have you got a rough quantum? I just want to get a feel for what the likely variation is there.

Mr Reynolds: I'll ask Mr Goodes, who might have a bit more detail on that number.

Mr Goodes: Senator, your question was about the change?

Senator PATRICK: Yes, the quantum of change from the 243 gigalitres. What sort of variation are we looking at if we look at the extremes of what's being proposed under water resource plans, noting that New South Wales has to make an adjustment?

Mr Goodes: As Mr Reynolds said, we don't have the versions of the water resource plans for those five valleys as yet.

Senator PATRICK: But you did have them, didn't you?

Mr Goodes: The 243 is the number that was in the versions that were submitted in 2020, which were subsequently withdrawn. We expect there will be some change in that number because, while we haven't seen the product, we do know that there has been more work undertaken to embed modelling improvements. Those modelling improvements incorporate things like the significant body of work that New South Wales has done to better understand to a greater level of precision the volumes of storages that are in that part of the basin. They have done a lot of work over the last few years to understand that, because this has obviously become far more important to understand at a greater level of detail.

Senator PATRICK: Sure.

Mr Goodes: I would expect that it would be around the same magnitude and they would come as proposals to amend the baseline diversion limit. New South Wales have already said quite publicly that they have discovered through that work that there has been growth beyond what they believe is the reasonable baseline diversion in at least the border rivers and they intend to address that through their licensing regime. That would involve a reduction in the licence use back to the sustainable diversion limit which links from that baseline.

Senator PATRICK: The New South Wales water resource plans were delivered late. Obviously they have been rejected or sent back. When do you expect those five plans to be back with the MDBA for consideration?

Mr Goodes: The New South Wales minister and the Commonwealth minister have an agreement that New South Wales will lodge their plans by 30 June 2022.

Senator PATRICK: Thank you.

CHAIR: Thanks very much, Senator Patrick. Senator Roberts?

Senator ROBERTS: I thank you all for attending today. My questions are to the minister. As I've recently raised in the Senate, there's still a need for a public register of interests in water rights and the trading of those rights. I was recently told that the states were creating such registers, but the transparency of these registers remains unseen. Three places in the federal Water Act 2007 require a federal register: section 10(2)(h), section 26 and schedule 3. Much speculation remains about the ownership of these rights, particularly by traders who simply invest in water rights as an opportunity to make profits without a connection to the need for water, such as the interests of a farmer.

In these questions I make it clear, Minister, that you have earned the respect and trust of Senator Hanson and me, so I'm not maligning or implying anything about you in any way. In my dealings you've always shown integrity—but these are serious issues—and I can't say the same for the Morrison-Joyce government. My first question is: if a minister, parliamentary member or close member of their family owns water rights as part of their investments, should not that parliamentarian disclose those interests and withdraw from voting on any associated motion or bill before the parliament?

Senator Ruston: Obviously the individual circumstances that go to the substance and issue of your question would need to be known. Obviously every member of the parliament and every member of the government must comply with the requirements in terms of disclosures, and I'm sure that they do. In the absence of knowing any specifics of any particular situation, I'm really not in a position to comment further than that.

Senator ROBERTS: If that parliamentarian does not withdraw from the vote, is there not a substantial conflict of interest?

Senator Ruston: As I said, it would turn on the individual circumstances. I'm unaware if you have a particular example or you are just generalising. As I said, there is a very strict set of guidelines in relation to all politicians, particularly those in decision-making roles as ministers, and requirements in terms of disclosures in relation to any interests that they may have across a broad range of areas. I would expect that every member of the government and, I would hope, every member of the parliament would be complying with their obligations in relation to disclosures.

Senator ROBERTS: Do you know of any parliamentarian, particularly any senator or their close family, who has an interest in water rights?

Senator Ruston: Off the top of my head, no. Until 2018 I was a water entitlement holder. I had a property, and that property had water rights—well, I had water for that property—which I registered on my register of interest. I'm sure there probably are other members of the parliament who are irrigators as well, but I don't have any specifics.

Senator ROBERTS: The Water Act, section 46(2), says:

In preparing an amendment of the rules referred to in item 12 of the table in subsection 22(1), the Authority—

the Murray-Darling Basin Authority—

must obtain, and have regard to, the advice of the ACCC.

The ACCC, in its *Murray-Darling Basin water markets inquiry* report, April 2021—and this comes under the title of problems with trading transparency—says:

* there is a lack of quality, timely and accessible information for water market participants

… … …

* trading behaviours that can undermine the integrity of markets, such as market manipulation, are not prohibited, insider trading prohibitions are insufficient, and information gaps make these types of detrimental conduct difficult to detect

This confirms the inspector-general will have trouble doing his job without that register now.

In 2009 the Australian government committed $56 million to the project of getting a federal water trader and register up. It's estimated that about $30 million was spent on that project before it was put aside, failed. The Murray-Darling Basin gave up trying. The NSW Farmers submission to the ACCC water markets inquiry said:

… improvements in the transparency of water trade are urgently required. Readily available information including price, location and volume, provide market participants with the information required to make informed decisions. Without transparency and improved functional capacity, trust in the water market and wider water reforms is being eroded …

The ACCC interim report said:

These … services are a crucial source of market data and information.

There has been much public speculation that prominent senators or close members of their families have interests in water rights related to the Murray-Darling Basin. Do you know of any truth to these concerns?

Senator Ruston: As I said, previously, no, I don't. I don't know whether any of the officials may have some information in relation to the transparency of water rights. All I can reiterate is that everyone I know in this place takes their responsibilities, in terms of disclosure, very, very seriously. I would like to think that everybody who needed to disclose an interest in something would. In relation to the more general issues around the water market, I don't know if Ms O'Connell might like to add to that?

Ms O'Connell: Certainly, thank you. We can talk to the ACCC review report that was released in March 2021 and the government's responses and actions, in response to that ACCC report, on the water markets in general. If you'd like us to talk to that, I'll ask Ms Connell to.

Ms Connell: There is a process that's been established by Minister Pitt to look at the very substantial recommendations made by the ACCC, which we discussed at the last hearings. Daryl Quinlivan is the principal adviser overseeing that process. He is working closely with basin states and stakeholders to look at how the recommendations from the ACCC can be progressed. He released his initial advice, in December last year, which outlined five recommendations. The government has committed, as part of the 2022-23 budget, to fund four of those recommendations.

Several of those recommendations go to the issues that you've raised today: improving compliance and integrity, a proposed code of practice for water market intermediaries and implementing prohibition into Commonwealth legislation. I think there were 15 recommendations around transparency and integrity in the ACCC report. They go to many aspects of the way water markets currently operate. Mr Quinlivan is working closely with the states, who are primarily responsible for water markets, to progress some of those transparency recommendations. We're looking at requiring information to be loaded into portals to clearly explain trades and the way delivery is managed—recommendation 15—transparency of allocation decisions and the drivers of water availability. So there is quite a power of work going on with basin states and territories to progress those recommendations. Mr Quinlivan is due to provide his final report in June this year.

Ms O'Connell: There was $2.1 million allocated to deliver on those initial measures that Ms Connell has outlined.

Senator ROBERTS: Will there be a federal water trading register?

Ms Connell: No. The ACCC didn't recommend a federal trading register. They recommended increased transparency and the creation of a basin-wide water market agency. But there are several recommendations that go to improving the way information is recorded in those registers, and the way that information is collected and made available to the public. That's improving transparency. The ability to get information about water trades and the water market is a key aspect of the work that is being progressed.

Ms O'Connell: They did recommend Commonwealth legislation around the markets, but, as Ms Connell said, not a register. A basin-wide mandatory enforceable water market intermediaries code is one example—and Commonwealth legislation to prohibit insider trading and market manipulation.

Senator ROBERTS: Minister, did you hear what I just heard? I asked a simple question: will there be a federal water trading register? The immediate answer was no. That's a requirement of the Water Act. It was effort that was invested into the—$56 million was allocated to provide a federal water trading register. It was given up, after $30 million was flushed down the toilet, and we still don't have one. Now we're coming up with codes of conduct and all the rest of it, but the Water Act says that we must have it.

Ms Connell: We've discussed this at previous hearings. There is no current requirement in the Water Act for a federal register in relation to water trades. And the ACCC didn't recommend a federal water trading register.

Senator ROBERTS: That's not my understanding of the act.

Ms Connell: I can take it on notice and confirm that.

Senator ROBERTS: Thank you. You could make reference to your understanding of section 10(h), section 26 and schedule 3.

Ms Connell: Thank you, Senator; we will.

Senator ROBERTS: If the public registers were in place, I would not need to raise these questions; and farmers would have confidence in the system and the Murray-Darling Basin Authority, which they don't have at the moment.

Senator Ruston: Could you repeat the question?

Senator ROBERTS: If the public registers were in place, I would not raise these questions and farmers would have much more confidence in the system and the Murray-Darling Basin Authority. Can you see that.

Senator DAVEY: State based registers are in place.

Senator ROBERTS: The Water Act requires a federal register, and only a federal register will provide complete transparency across the basin. There are too many places for people to hide.

Mr Metcalfe: So which section?

Senator ROBERTS: Section 10(h), section 26 and schedule 3. Minister—and this is a question directed to the Labor Party as well, although they are not in office—I introduced an amendment to the legislation. It was voted in favour of in the Senate and went to the House of Representatives. The Labor Party supported my amendment. The crossbenchers supported my amendment. In the lower house, the Labor Party turned and voted against my amendment, and the Liberal-National Joyce-Morrison government voted against my amendment for creating a water trading register.

Senator Ruston: I hear what you're saying in relation to the efficient, effective and transparent operation of the water market. What I'd be really keen for officials to go away and find, because I'd be interested in it myself, is how they believe that we are able to achieve the kind of transparency and operation of the market that you are seeking to do. I know Mr Quinlivan, who was previously the secretary of this department, who has a longstanding history in the understanding of the water market, is working on this. We'd seek for them to provide you with a briefing as to an explanation to the questions you've just asked. We'd certainly be keen to talk to you after you've had the opportunity to have a look at the work Mr Quinlivan has done, in the hope that maybe some of that explanation can allay some of your concerns about the transparency and operation of the water market.

Senator ROBERTS: Thank you. A federal water trading register would allay my concerns and the concerns of many farmers.

Senator Ruston: What I'm saying is that maybe they can be allayed by some other means. I'm not saying that they will but we will give it a go.

Senator ROBERTS: And then there's still compliance with the act.

Ms O'Connell: We'd be very happy to do that briefing with you. The ACCC review report is all about providing that transparency and trust.

Senator ROBERTS: And we want to ensure compliance with the act as well. We look forward to talking with you.

CHAIR: Thanks, Senator Roberts. Senator Grogan.

Senator GROGAN: Could I get an update on how much of the 450 gigalitres of water promised to South Australia has been delivered to date and how much has been contracted? The same question as last time.

Senator PATRICK: The same answer as well, I suspect!

Senator GROGAN: I suspect. But I live in hope, Rex.

Senator PATRICK: A good question, Senator.

Dr Derham: I can go through the update in terms of where we are from February. At the last hearing we said that we had contracted 18.5 gigalitres of water recovery. My references are in long-term annual average yield, for the record. The New South Wales Murrumbidgee Irrigation Automation Finalisation project was approved and is now contracted. That is bringing 5.5 gigalitres into the mix. We are currently under active assessment for another three gigalitres. That would take our total to 27.

Senator PATRICK: How much does the Commonwealth Environmental Water Holder actually have registered? Is it still two?

Dr Derham: Yes, it's still the two. As we start to move through the milestones of the contracted projects, the water entitlements will be transferred at different stages. But all water licenses must be transferred by and before 30 June 2024.

Senator GROGAN: It's a pretty big task if you're still only at 27 on the best assessment, and on your contracted assessment at 24. Of that 5.5 that you said that you've just recently contracted, when do you anticipate seeing any of that water?

Dr Derham: I'd have to go back to the contractor. I'll get that for you at lunch.

Senator GROGAN: You gave us a list of pathways, if you will, for the 450 last time we were here. Is there any more detail on that? Have you made any more progress? The list didn't really have much detail. A lot of it was—

Dr Derham: High level.

Senator GROGAN: Yes. The vibe of the thing, almost.

Dr Derham: It's an action plan.

Senator GROGAN: How is that action plan going? Are you making any progress?

Dr Derham: We are making progress. I'm happy to give you an update on the works that we have been continuing to do. As you would recall, the program is obviously user-demand driven. As an agency, we're actively working with delivery partners in the basin governments, and we continue to pursue those conversations as the action plan sets out.

To go through where we are: obviously I've just mentioned for New South Wales that the Murrumbidgee Irrigation Automation Finalisation plan has now been contracted, which is a good outcome for everybody. We have also contracted New South Wales with $5 million to help facilitate them in progressing some feasibility studies for prospective projects. In that prospective project list that we're actively negotiating at the moment are potential off-farm projects in West Corurgan and further projects in the Murrumbidgee, Romani, Moira and Bringan. Those are five projects that we are hoping to get feasibility studies for over the next few months from New South Wales that will also facilitate more water recovery. I would like to say that the West Corurgan project is probably going to be a substantial project; it's probably one of the last remaining irrigation districts that has had very few infrastructure improvement upgrades done on it. That's definitely being progressed with the New South Wales government as we speak.

On further works in New South Wales, we've continued our discussion with New South Wales in relation to urban and industrial projects, as we said that we would in the action plan. By way of example: in New South Wales the types of industry projects that we have been negotiating on are abattoirs and the reuse, recycling and reconfiguration of farms and abattoirs. That obviously brings challenges in the fact that the reconfiguration is happening on-farm—but we have provisions to support on-farm works—and also the nature of the entitlements, in that they're generally very low-entitlement type products. Notwithstanding that, we're continuing those discussions to see whether we can get a prospective project under that.

New South Wales had done some scoping work with their councils for urban water-saving projects. We are re-initiating our discussions with New South Wales. Coming out of the back of the drought, the councils had said: 'Please go away. Leave us alone.' Every drop of water is critical for towns. If they can find a saving, they would like to keep it for the town and future water supplies in the town. Notwithstanding that, we are continuing to assess, with the New South Wales government, if there aren't any councils in New South Wales who are willing to come forward to do urban projects.

You may have recalled, as I updated the panel before, that we have been working with the South Australian government on urban projects. There are seven councils in South Australia that have prospective stormwater reuse recycling projects that they're working through. We have one of those seven council projects under active assessment at the moment, and it's a good pilot for how those types of projects may roll out for other councils in South Australia as well. So we are making progress with some of those urban projects in South Australia as well.

Senator GROGAN: A bit more progress in New South Wales would be nice. A little upstream activity would help.

Dr Derham: Certainly. New South Wales has done the work to identify those prospective urban projects. It's just whether or not the councils feel that they can forfeit that water for the environment over their townsfolk. I guess that's the challenge that we're facing with some of these projects: that willingness to come forward that way. Notwithstanding that, we are doing everything we can to encourage and work with New South Wales on those projects.

Senator GROGAN: So—

Ms O'Connell: Sorry to interrupt, but do you want us to finish with the other jurisdictions as well, in terms of the action plan?

Senator GROGAN: Just briefly, that would be great.

Ms O'Connell: There are the state-led discussions we're having, and then of course there are the—

Senator GROGAN: I am conscious of the time. Maybe you could take that on notice. But you are showing me that there's progress.

Dr Derham: We are continuing with the progress, and, as I've mentioned, there are a number of projects for which we are continuing those discussions and negotiations on how we can get projects submitted for assessment. We are definitely making progress against that action plan.

Senator GROGAN: What level of confidence do you have for the delivery by 2024 of the 450 gigalitres that we started the conversation with?

Dr Derham: I'm ever the optimist. If we can get the stakeholders willing to come and work with us, we will have a greater chance of continuing to progress against the 450. In terms of what total volume we'll get, it's challenging. We've got a lot of stock in domestic opportunity projects. Again, it's lots of work for small amounts of water. Can we actually get big town industry to come to the table? We're continuing those discussions. They're really our prospective areas, and we will continue to pursue those.

Senator GROGAN: The cap on buybacks was 1,500 gigalitres, correct?

Dr Derham: That's correct. That's legislated.

Senator GROGAN: On the authority's website we see that 1,231.1 gigalitres has been recovered by tender program—in other words, through some form of buyback. Is that an accurate figure I'm using there?

Ms Connell: The figures on the authority website are accurate at the time they're published.

Senator GROGAN: So the 1,231.1 gigalitres are recovered by tender program, which is a buyback? Are you on track to meet the cap on the water recovered through buybacks?

Ms Connell: It is a cap, not a—

Senator GROGAN: I know, but I'm asking if you think you're going to get to that point.

Ms Connell: The surface water bridging gap target is 2,075 gigalitres. To date 2,106.4 gigalitres of water have been recovered towards that target. In terms of the specific targets that operate in different water resource plan areas, there are still 46 gigalitres, only two per cent of the overall target to be recovered. The bulk of that water is in the Condamine-Balonne, the Barwon-Darling, Namoi and a couple of other catchments. We're right at the end of the process. We've actually gone quite significantly over the global target, but we are working with Queensland in particular around options for water savings through the Off-Farm Efficiency Program framework to recover the remaining water in the Condamine-Balonne.

The key thing to keep in mind is that the Commonwealth Environmental Water Holder currently has a surface water holding of 2,100 gigalitres, with the overall basin-wide target being about 30 gigalitres fewer than that.

Senator GROGAN: Thank you.

CHAIR: Senator Davey.

Senator DAVEY: While we are talking about a 450, can I get clarity? Is there anywhere in the basin plan, the Water Act or the Water for the Environment Special Account that says the 450 is for South Australia?

Ms Connell: No.

Senator DAVEY: You mentioned that currently we've got just over 2,100 gigalitres of water that's been recovered.

Ms Connell: That's right—surface water.

Senator DAVEY: So, when the Adelaide *Advertiser* says that Mr Anthony Albanese has said just two gigalitres has been returned to South Australia, that is not correct.

Ms Connell: No, across the basin, as I said earlier in relation to the bridging the gap surface water target, the Commonwealth Environmental Water Holder currently holds over 2,100 gigalitres of water.

Senator GROGAN: This is just a point of follow-up, if that's alright. The two gigalitres are the only thing that's been delivered from the 450. Is that correct?

Ms Connell: Yes, the 450 is an additional water recovery target on top—

Senator GROGAN: Just to be clear in terms of—

Senator DAVEY: So you're saying this has been taken out of context. When Mr Albanese is reported in the Adelaide *Advertiser* today as saying that just two gigalitres have been returned to South Australia under the coalition, it should have been reported—

Senator GROGAN: Yes—of the South Australian 450.

Senator DAVEY: But it's not South Australia's 450. That's what I'm trying to clarify. The 450 is not for South Australia, is it?

Senator GROGAN: That's written by a journalist, not Anthony Albanese.

Senator DAVEY: That's what I'm saying. The report has been taken out of context.

Senator GROGAN: The press release does have that point of clarity in it, I believe.

Senator DAVEY: Thank you for that. This week, Lisa Neville, the Labor Minister for Water from Victoria, had an opinion piece in the *Weekly Times*. She said, 'The plan allows for, but doesn't mandate, water recovery of an additional 450 gigalitres.' Is her interpretation of the Basin Plan correct?

Ms Connell: There's a comprehensive framework in the Water Act to provide for funding for recovery of the 450 gigalitres of water within a particular period. In terms of compliance with that framework, as Dr Derham indicated previously, it's a demand-driven program. It's incumbent on states' and territories' irrigation infrastructure operators and other proponents to willingly come forward and propose projects for funding.

Senator DAVEY: My understanding of the Basin Plan is that the 450 is not necessarily mandated, but the limits of change, plus or minus five per cent on the sustainable diversion limit, is the compulsory part of it.

Ms Connell: Yes, and I can ask Mr Reynolds or Mr Goodes to walk you through the way that framework operates in more detail.

Senator Ruston: I would add that there has been a longstanding bipartisan commitment to the delivery of the plan in full, but delivery of the plan in full in a way that acknowledges the economic, social and environmental impacts on the entire system. We as a government—and, obviously, you're a member of it—remain absolutely committed to the delivery of the plan in full. As Dr Derham said earlier, we will do it in a way that doesn't destroy our river communities. I'm confident, as she is confident, that we'll be able to achieve this through off-farm measures and, particularly, some new and exciting urban and industrial opportunities to make sure that we do it in a way that doesn't destroy the very fabric of our river communities.

Senator DAVEY: Thanks for raising that, minister, because—and Lisa Neville also talks about it in this opinion piece, which I'm happy to table—the Murray-Darling Basin Ministerial Council agreed to social and economic criteria for the 450, which, in 2018, included the South Australian government, the Victorian Labor government, the federal government and all jurisdictions. Although, I have now read Terri Butler say that she'll walk away from that agreement. Minister Neville, in this opinion piece, is concerned about walking away from that, and she says she will not be changing their position on delivering the Basin Plan, respecting the social and economic criteria, and raises concerns about the 450 potentially exacerbating deliverability issues, which, Mr Reynolds, you might also be able to talk about.

Mr Reynolds: I'll just come back to the limits of change that you first mentioned. Under the Basin Plan, the SDLs can be adjusted as a result of the SDL adjustment mechanism, the 605. But SDLs can only be adjusted a maximum of five per cent, up or down. They've got to stay within the ballpark of the original assessment. For the full 605-gigalitre SDL adjustment to be achieved, 63 gigalitres of efficiency measures are needed in the other direction to keep us within those limits of change. So, for the full 605, at least 63 gigalitres of efficiency measures are required. That doesn't prevent more efficiency measures, up to 450, being achieved. So that's that component.

In terms of deliverability, certainly deliverability issues in the River Murray system are an area of intense focus for the MDBA and the states in terms of how we operate that system. There are challenges in delivering peak demands in the summer season, for irrigation demands, but also in integrating environmental water with that. I guess one of the issues with environmental water is that, typically, the greatest volumes are delivered out of sync with irrigation demand through the winter-spring period, so the greater volumes of water that are required for the environment don't necessarily exacerbate the deliverability issues that we're experiencing if environmental water holders want to use that water at a different period of time. Certainly there are other elements of the Basin Plan, such as the relaxation of constraints, that also facilitate greater flexibility in the operation of the system. So it all operates as a complete package.

Senator DAVEY: My understanding is that there is a lot of work currently underway to look at deliverability issues but also constraints and how we manage them and how we manage water in and around the different sections of the river so that they don't have negative environmental impacts while still being able to meet all demands across the system.

Mr Reynolds: Operating the River Murray is particularly complex, given the range of competing demands and the tributaries that flow into it and the sequencing of flows from tributaries as well as from the major storages upstream. We have certainly got a significant piece of work underway looking at how we manage it through the Barmah Choke in particular, but also how we might manage it in the event that available capacity is tight. To avoid a shortfall to consumptive users, we're also looking at how we might move water through the system at different times of the year. The states are well engaged with the constraints relaxation program. That certainly will provide a much greater degree of flexibility for the use of environmental water once that program is implemented.

Senator DAVEY: Thank you. That's all for the moment. After the break I'll have questions for the Commonwealth Environmental Water Holder, too.

CHAIR: Thank you, Senator Davey.

Ms O'Connell: Chair, I have an answer to an earlier question that Dr Derham took, if we could allow her to give that answer.

CHAIR: Thank you. I'll just get agreement from the committee to table this document. Thank you.

Dr Derham: Senator, you asked me the dates associated with the delivery of the Murrumbidgee contracted water. These amounts are long-term annual average yield. Against milestone 2, on 30 September this year, we expect to receive 2.425 gigalitres, for milestone 4, on the 30 November 2023, we expect to receive 2.175 gigalitres, and for milestone 5, on 9 May 2024, we expect to receive 870 megalitres. So that's the 4.5 gigalitres, in rough rounding.

Senator GROGAN: Thank you.

CHAIR: Thank you very much. Senator Walsh.

Senator WALSH: Thank you very much, Chair. I've got some questions about the announcement of the appointment of Dr McVeigh as the chair of the new Modernising Murray River Systems Technical Panel, so hopefully the right people are at the table there.

Mr Metcalfe: We're ready to go, Senator.

Senator WALSH: Great. Thank you. Minister Pitt announced this appointment on Monday of this week. Was that a ministerial appointment?

Ms O'Connell: Minister Pitt announced the appointment on 4 April, so it was the end of last week—no, you're right; it was earlier this week, on Monday.

Senator WALSH: The press release is dated Monday.

Ms O'Connell: You asked whether it's an appointment by the minister?

Senator WALSH: Was it an appointment by the minister, yes.

Ms O'Connell: Yes. It is, as you said, for the chair of a panel. The panel's work was announced as part of the budget announcements and, yes, it is a minister's appointment.

Senator WALSH: Can you outline for us what the recruitment process was for that appointment?

Ms Connell: It was ministerial appointment to an independent panel. As you are probably aware, it is common practice in relation to Murray-Darling Basin programs of work or issues or challenges to appoint independent panels with particular expertise to look at options and provide advice. In relation to this particular panel, the department provided the minister with a list of potential eminent people that had the leadership capacity to undertake the proposed review.

Senator WALSH: On what date did you do that?

Ms Connell: I would have to take on notice the date on which that particular advice was provided.

Senator WALSH: Was it within the last couple of weeks?

Ms Connell: From memory, I think it was probably early March.

Senator WALSH: Does the position attract any remuneration?

Ms Connell: The appointment is for a panel that is part of 2022-23 budget measures. When the contract is put in place it will commence from 1 July. In relation to these kinds of panels and engagements, the department, which is responsible for putting in place the contracting arrangements, is generally guided by Remuneration Tribunal standards. It's not a position that attracts the Remuneration Tribunal framework but we use that as a reference point to guide the contract negotiations.

Senator WALSH: The appointment has been made, according to the press release. It's been announced but the package hasn't been finalised.

Ms Connell: Minister Pitt announced it as part of a 2022-23 budget measure. The funding for that measure flows from 1 July. We are yet to put in place a contract.

Senator WALSH: So the minister's announced Mr McVeigh for this position but he doesn't start until July without a contract?

Ms Connell: We have had preliminary discussions with Professor McVeigh but, at this point in time, there's not yet a contract in place.

Senator WALSH: So you can't tell us what the remuneration for the position might be, albeit that [inaudible] announced for the position?

Ms Connell: No.

Senator WALSH: I can hear a bit of feedback there, so apologies for any difficulties in hearing me. You said that the department provided a potential list of people for appointment, probably in early March. The department would be aware then that Dr McVeigh is a former Liberal National Party minister in the Queensland government and a former coalition minister in the current government. Is that correct?

Ms Connell: Yes.

Senator WALSH: The press release for the appointment from Minister Pitt refers to Dr McVeigh's strategic leadership roles, strong connections to regional Australia and professional background in the sector. The question for the minister is: why would Minister Pitt not have included in Dr McVeigh's list of qualifications that he was a minister in the Queensland LNP government and a coalition minister?

Senator Ruston: In having a look at the qualifications that Dr McVeigh has, I think that those that are particularly relevant and pertinent to the role that he's been sought to undertake have been listed on the resume and the minister's press release as to why Mr McVeigh has the necessary capabilities and experience to be able to undertake this role.

Senator WALSH: We've just heard from the department that an announcement was made on 4 April for this position, which won't take effect until July, and no contract has been entered into. Why would you announce a position on the eve of an election—on Monday of this week—for a position that doesn't start until July and you haven't entered into a contract for?

Senator Ruston: I'm unaware of whether or not a contract has been entered into and I will take that on notice.

Senator WALSH: It has just been stated that it hasn't been entered into.

Senator Ruston: As I said, I am unaware of that personally. I will take that on notice and come back to you in relation to the contractual arrangements that have been agreed to or otherwise between the government and Dr McVeigh. In the absence of having a clear understanding of the process and where it's actually up to, I'm not going to pass any judgement or comment as to the commentary that you are seeking to run here.

Senator WALSH: It's just been established in the committee today that the minister has appointed someone on Monday of this week, when an election is expected to be called this weekend, for a position that doesn't start until July and for which a contract has not been entered into. This announcement has been made in the same week as the coalition has made many other rushed appointments to positions such as positions on the AAT. Do you accept that this really strongly appears to be just yet another job for the Liberal and National boys being announced in exactly the same week as many such other appointments have been announced?

Senator Ruston: No, I don't. If you have a look at Dr McVeigh's CV—

Mr Metcalfe: He is, in fact, a professor.

Senator Ruston: He is professor? I did get it right. My apologies—professor, doctor. He is obviously a very eminently qualified person. He is not just eminently qualified but he has really specific skills in the area that he's been sought to provide advice to the government on through this role. I can't imagine there will be too many people in Australia with the kind of experience and skills that Professor McVeigh has for the role that he's been asked to undertake or he is going to undertake. This is an exceptional appointment of an exceptional person with exceptional skills, who will be able to undertake this role probably better than anybody else in Australia. So I don't accept the accusation or the allegations that you're making.

Senator WALSH: Minister, is it common practice for the government to make an announcement of an appointment three months before the role is scheduled to exist and without a contract being in place?

Senator Ruston: It's not unusual for a preannouncement of somebody taking a position. It happens all the time. As I said, I'm unaware of the situation—

Senator WALSH: What happens all the time?

Senator Ruston: Would you let me finish?

Senator WALSH: I didn't understand what you said happens all the time.

Senator Ruston: The announcement of a position before it's taken up. The position is almost always announced before the person starts. You don't announce somebody starting a position after they've started; that would be quite unusual. In relation to the contractual arrangements: in the absence of knowing the details of the process of those contractual arrangements, I'm not in a position to make any judgement. I said I would endeavour to try to find out more detail and come back to you. I don't think there appears to be anything unusual about this appointment. As I said, the credentials of the person appointed to this position speak for themselves.

Senator WALSH: Can I go back to the official who answered the questions previously. Has the contract been entered into?

Ms Connell: We've had preliminary discussions with Professor McVeigh at this stage. We haven't yet executed a contract with him.

Senator WALSH: The position is expected to start—did you say in July?

Ms Connell: Yes, but it would be common practice in terms of effective program delivery to have the contract in place before the measure commences. That's what we're working towards.

Senator WALSH: When are you seeking to have the contract finalised? Do you have a date?

Ms Connell: Not at this stage.

Senator WALSH: Given that we are about to be in an election period and government is about to go into caretaker mode, Minister, do you really say that this appointment, without a contract being in place, for a particular position starting in three months time, is in the spirit of caretaker provisions?

Senator Ruston: First of all, we're not in caretaker conventions because the election hasn't been called. I go back to my comments in response to a previous question: Dr McVeigh would have to be, if not the, one of the most eminently qualified people in Australia to undertake this particular role. Governments should be delighted that somebody of his skill level is prepared to take on this role. Governments of all persuasions have always operated within the caretaker conventions, and we will do the same. There is nothing unusual about this particular appointment; it's a fantastic appointment. There is nothing unusual with the process; it is a standardised process you go through. I reject the assertions you're trying to imply.

Ms Connell: I would point out the 'doctor' in terms of Professor McVeigh's qualifications relate to a PhD which focused on sustainable water use in Australian irrigated agriculture. One of the key focus aspects of the proposed review is looking at improving infrastructure in the Murray to improve availability of water to irrigated agriculture. He has a PhD qualification that is relevant to the area of operations.

Senator WALSH: You've gone through Dr McVeigh's qualifications, and no doubt those qualifications are pertinent to the role. He is a former LNP minister in the Queensland government and he is a former coalition minister in this government. Is that experience also pertinent to the role, Minister?

Senator Ruston: I'm not quite sure what your question is.

Senator WALSH: Is Dr McVeigh's experience as a Queensland LNP minister and as a federal minister relevant to his capacity to perform this role? Is it a pertinent qualification?

Senator Ruston: I think the relevant qualifications that Professor McVeigh has in relation to his experience that is listed in his CV are the relevant skills for the role that he's about to undertake.

**Proceedings suspended from 11:05 to 11:28**

CHAIR: Welcome back. Senator Walsh, have you completed your set of questions?

Senator WALSH: I have, thank you, Chair.

CHAIR: Thank you. Senator Grogan?

Senator GROGAN: Thank you very much. I might just put one question to the secretary, to come back to the issue that we were talking about before the break. Given that the election must be called in, I think, the next 10 days and that Murray-Darling is a point of contention between the government and Labor on certain points—

Senator Ruston: Senator, can I just correct you there? We have always had a very, very strong bipartisan approach to the Murray-Darling Basin Plan. I commend the fact that, 12 years ago, 14 chambers, I think it was, of the parliaments of Australia came together—and they were of all sorts of persuasions; there were some from the Liberals and some from Labor, with the crossbench holding the balance of power. All of those chambers unanimously agreed to support the delivery of the Murray-Darling Basin Plan in full. So I would actually contend that this should not be any point of difference. We're all committed to the delivery of the plan in full.

Senator GROGAN: Maybe I can just refine that a little and say that there are various members of the National Party, which is part of the coalition, who are on record as not being overtly supportive of certain aspects of the plan. Did you at any point provide advice on the impending caretaker conventions on the appointment we were discussing before the break?

Mr Metcalfe: Not specifically in relation to that appointment, but, as is usual, the department has provided a briefing to all its ministers and their offices about the caretaker conventions, which of course commence when the writs are issued, after the election is called.

Senator GROGAN: Did that advice caution about making appointments so close to the caretaker conventions coming into play?

Mr Metcalfe: I'd refer to you the guidelines issued by the Department of the Prime Minister and Cabinet. The department will of course strictly abide by those guidelines, and if there's any doubt we'll obviously seek guidance from the Department of the Prime Minister and Cabinet. My understanding is that the decision for appointment has been made validly and therefore it would be no breach of the caretaker guidelines for action now to be taken to put that appointment in place. The same applies for other key issues, whether they're decisions about appointments, grants, contracts or whatever. This is a longstanding practice, and we'll treat this in the usual way.

Senator GROGAN: We touched a little on water resource plans earlier, but I'd like to further that conversation. All the water resource plans from jurisdictions other than New South Wales have been accredited and are operational. Is that correct?

Ms O'Connell: We'll ask Andrew Reynolds to come back to the table to answer that question.

Mr Reynolds: That's correct, Senator.

Senator GROGAN: And am I right in saying that none of the New South Wales water resource plans have been accredited by the minister?

Mr Reynolds: That's correct. We have two that the MDBA is currently assessing.

Senator GROGAN: And these plans were due in 2019?

Mr Reynolds: That's correct, under the Basin Plan, but agreement for extension has been made.

Senator GROGAN: The revised New South Wales plans—you were saying that two of them are currently being assessed by the authority. Is that correct?

Mr Reynolds: We have two plans. The NSW Border Rivers Alluvium Water Resource Plan and the Lachlan Surface Water Resource Plan are with the authority at the moment.

Senator GROGAN: What about the other plans?

Mr Reynolds: There's a schedule that's been agreed between Minister Pitt and the former New South Wales minister for all plans to be submitted by June 2022, this year.

Senator GROGAN: Do you believe that schedule will be adhered to? Does it look like they're on track?

Mr Reynolds: We're still working the New South Wales officials on the preparation of those plans. We haven't been given any advice they won't meet that at this point in time.

Senator GROGAN: How many plans are there to deliver by June 2022?

Mr Reynolds: Twenty plans in all.

Senator GROGAN: Does that include the two that are currently being assessed by the authority?

Mr Reynolds: That's right, yes.

Senator GROGAN: So the assessment of two of those is underway. Have any of the plans been provided to the minister yet?

Mr Reynolds: No.

Senator GROGAN: Given that we are going to have a period of disruption, through an election and caretaker conventions and suchlike, do you feel that the June 2022 deadline will be met?

Mr Reynolds: In terms of submission of the plans, we're working with New South Wales officials to work towards that deadline. We have the plans that we've got now. We'll continue our assessment of those over the coming weeks and provide them to the minister once we've completed that assessment and our recommendation to the minister.

Senator GROGAN: What's the average time it takes for such an assessment?

Mr Reynolds: We've mapped out an assessment process. It's about 12 weeks per plan. We feel we can do two plans concurrently and commence another two plans every four weeks. So we'll progressively work through them in that way.

Senator GROGAN: Just to confirm, did you say they take 12 weeks or the entire 20 will take 12 weeks?

Mr Reynolds: It takes about 12 weeks to assess a plan, and we can do two plans concurrently. But, once we have started on the first two plans, four weeks later we would be in a position to start the new plan. So, once we get through the first plan, every four weeks there would be another two plans that the assessment would be completed for.

Senator GROGAN: So, by your own time line, it's not possible to get the 20 done by June.

Mr Reynolds: The commitment is for the plan is to be submitted by June 2022, and our assessment process will play out from there. But we'll progressively start assessing them as they come in. The commitment is for them to be progressively submitted up to that point in time.

Senator GROGAN: So, if everything went to plan, we would essentially be looking at this all being completed in September.

Mr Reynolds: It would depend exactly when the plans arrive with us. As I said, we can progress two plans concurrently in the assessment process, and every four weeks we would start another two plans in that. So, if the plans come in progressively between now and June, we'd work through in a time frame like that.

Senator GROGAN: Okay. Obviously, there have been extraordinary delays, and I appreciate that extensions have been granted at each level, but we are going to be in a situation of being three years late by the time this is all completed. Are the delayed plans limiting our ability to stop the overextraction of water?

Mr Reynolds: We have bilateral agreements in place with New South Wales, and we've previously had them with other states as well for them to report their take. We would prepare an interim register of take that reflects their usage, and we'll identify whether there is overextraction or not.

Senator GROGAN: Does the minister have any power to accredit the plans if they haven't been through the authority for assessment?

Mr Reynolds: The authority will make a recommendation to the minister. The minister can act on that recommendation. The minister could accredit a plan against the authority's recommendation but would need to table in parliament his reasons for that.

Senator GROGAN: Has he ever exercised that option?

Mr Reynolds: No. No minister has.

Senator GROGAN: Okay. Thank you.

CHAIR: Senator Patrick.

Senator PATRICK: I must admit I did miss some of the discussion in relation to the 450-gigalitre plan, so I'd like to ask some questions about that if that's possible.

Ms O'Connell: Certainly. We'll just ask Dr Derham to return to the table for that.

Senator PATRICK: Firstly, the committee asked for plan to be tabled. The first time around, it was just rhetoric. There's a bit more detail now. This here is your plan that the secretary tabled in relation to—

Ms O'Connell: Correct, Senator. On 18 February, the secretary tabled that plan.

Senator PATRICK: That's correct. This is the plan. It's two pages involving $1.4 billion of expenditure. It's better than last one, but it falls short, I think, in any person's reasonable view. It does give some details as to measures. I heard you say the Murrumbidgee Irrigation automation finalisation project is actually contracted now to give 5.5 gigalitres. Did you end up giving Senator Grogan details on these other programs—'feasibility funding for priority projects'? I don't actually know what that means.

Ms O'Connell: We did step through it with Senator Grogan. We're happy to do that again, if that assists, about contracted—

Senator PATRICK: Did you detail each one of these lines and what you expect to be returned from them?

Ms O'Connell: We detailed what's under contract, and progress with a number of them. We didn't get all the way through. We only really focused on New South Wales, I think, and some of the South Australian projects. But, if you'd like, we could go through the other states.

Senator PATRICK: For example, the minister last time raised the issue of urban and industrial water recovery or water efficiency measures. You've got that listed. You don't have any details as to likely recovery amounts.

Dr Derham: I can provide you with an update on those. In relation to urban, we actually have in South Australia a current urban proposal with the minister for consideration. It's one of seven potential councils in South Australia who are likely to bring forward urban stormwater renewal projects, and they're in the order of between one and five gigalitres of prospective water recovery from the South Australian minister's water entitlement portfolio, because those councils would draw less water from the River Murray. So it's a lessening of the demand on the River Murray in terms of generating those savings. That's one of seven that we have. It's piloting how those council proposals would be brought forward and assessed, and we're anticipating South Australia will bring forward, in consultation with those relevant councils, some additional submissions in the not-too-distant future. So that's an update on urban at the moment in South Australia.

I would also just reflect that we're talking to other South Australian counterparts, particularly on a creeks pipeline. I'm not sure if you're aware of that project. It's new to my knowledge base, but it is one that we are actively in discussions with South Australia on. And you would be aware of the Barossa project, which has been kicking around for a little while, but there's also potential of considering some reforms in the Barossa irrigation system, again reducing demand on the River Murray from that.

Senator PATRICK: How have you been advertising this? I think of a big water user in South Australia, being GFG in Whyalla—obviously one of the reasons for the Morgan to Whyalla pipeline was to be able to facilitate that steel production, which is very important. For example, has the department contacted GFG and said: 'You're a big water user. If you could find some efficiencies, we could help fund that'? Has that sort of interaction occurred?

Dr Derham: Our partnership is with the basin governments, so we are working in close consultation with the South Australian government, the New South Wales government and the Victorian government as well as ACT and Queensland. They provide the interface with the industries and urban utilities in their jurisdictions. But we are proactively pursuing those opportunities with our delivery partners.

Senator PATRICK: For example, is GFG on your list of potential water savers?

Dr Derham: I would have to take that on notice with the team, but I will get an answer for you in the next break.

Senator PATRICK: In some sense, that's the sort of detail I would expect. I know that these involve commercial discussions, but the fact that you're talking to an entity about water saving is not a commercially damaging piece of information. So this plan—it's like dentistry here for me, like root canal therapy, trying to get proper details out. I've got three pages. Can we break this down further into what you expect to get? It's a $1.3 billion program.

Dr Derham: I am currently working with my jurisdiction counterparts on a bit of a dashboard that provides that information of where the discussions are at, where prospective projects have been submitted and are under assessment and also those that have actually been contracted and delivered. So we are working to generate that next level of detail that you are asking for there, Senator. The challenge we face with the jurisdictions is that these are complex projects, and it does require willing partners to come to the fore and bring forward. So we might be in discussions, but they still might not be ready to share publicly that they are talking with us about those projects. So we do—

Senator PATRICK: But there is no commercial—I mean, what I seem to find right across the spectrum, so it's not a criticism just of you guys, is that, any time a company is mentioned, somehow that seems to be a block from disclosure, when in actual fact the requirement in this forum is whether or not it would cause substantial harm to the business as opposed to having someone just acknowledging that you are talking with a particular company about possibilities. That cannot be harmful to a company.

Dr Derham: It's also expectation management. We're having lots of conversations, and many of them will fall through and nothing will come from it.

Senator PATRICK: What about the expectation management for South Australians who just look at it and say, 'We've two gigalitres with the CEWH, and no-one seems to be able to tell us how to get to a plan.' I'm trying to be fair—

Unidentified speaker: Isn't it 100 gigalitres with the CEWH?

Senator PATRICK: No, not of the 450. The evidence was two. My understanding is the CEWH can't use any of this water unless it's been properly allocated and transferred over for environmental use—

Dr Derham: They must hold the entitlement—you are correct, Senator.

Senator PATRICK: Yes, which is why what you said, quite correctly, is that you have got these projects underway, but they are not booked into the CEWH yet. You did mention in the last estimates that you were going to put some of this up on the internet. You said you were working on updating this sort of information on the internet. Has that occurred?

Dr Derham: We've been pursuing that since the last hearing. I've seen draft updates. We just haven't been able to get everything loaded in time for today. But we are very, very close to having that information revised and updated in a user-friendly format and also being more transparent—getting some more of the reports and information made available as part of that. There has been some third-party consultation, particularly with our independent reviewers, who do the independent technical assessment of the submissions that come in from the governments. We'd like to publish those, but there is some commercially sensitive material, so we have a process to work through to ensure we remove any commercially sensitive material from those assessment reports provided. But we have been pursuing that, and we're hoping to update eminently.

Ms O'Connell: Senator, this document is from 18 February. Since then, things have changed, like Goulburn-Murray Water. Things like that have significantly changed. So what we can offer to do is take on notice to produce an updated version.

Senator PATRICK: I think Senator O'Neill asks for that every time we have estimates. Maybe the committee needs to make an order that says that every time you appear at estimates you should have an updated outline of the 605 and the 450. Every time, we ask about it, and, every time, we find we're working with old data. I'll just go to the minister here. This has at least got some detail about how the recovery might occur. I wonder—is it beneficial to have a, perhaps, more substantive document that shows what you think you might be able to get, how you think you might be able to get it and when you think you might be able to get it? I think that would give people a lot more comfort. I know that Anthony Albanese is announcing that he's going to get the 450 gigalitre. I've already put out the public call to say: 'It's no good announcing it and no good committing to it; you've got to have a piece of paper that says, "This is how we're going achieve it."' And this is very bare.

Senator Ruston: Senator—once again, officials, correct me if I'm wrong here—I think that why we sought to provide that document to you back in February was that it was at the end of an estimates. Like you, I was very interested to see particularly this new opportunity that exists—well, it's not a new opportunity but an opportunity that's currently being pursued by the department in relation to urban and industrial. It seemed to me that it was a clever, additional mechanism by which we could get the water. So I think what we did was put together, as quickly as possible, an outline. But I can see there is absolutely no reason what you've just asked for cannot be done in more detail. I'd perhaps suggest to the department: don't try and do it by four o'clock this afternoon—

Senator PATRICK: Yes.

Senator Ruston: Maybe try and do it over the period of a couple of weeks. But I do think, if you have a look at the opportunities that exist in terms of alternative use for recovery through urban and industrial, there is a huge opportunity for us to actually get hundreds of gigalitres of water. It may be a bit trickier if you've got to negotiate with many, many different councils, organisations, businesses, sporting groups or whatever it happens to be, but I agree entirely that it is a pathway by which we can get a substantial amount of that 450—hopefully, the whole lot of it—in addition to the other measures that we're taking so that we actually can deliver this plan in full, which I know is what every single person here wants. So what I will say is that I'm happy to take it up with the minister, but I think the officials here are all absolutely 100 per cent prepared to get it to you quickly.

Senator PATRICK: I think a two-week time frame would be good, because this is a weapon that can be used against you—

Senator Ruston: Absolutely.

Senator PATRICK: and properly by senators who rightfully want to put pressure on governments and oppositions to make sure that they do the right thing or make sure that there's a solid plan there. Thank you very much, Minister.

Senator Ruston: That's a wholly reasonable request, Senator.

Senator PATRICK: Are we happy to agree, in two weeks time, to have something provided to the committee?

Senator Ruston: Maybe, Dr Derham, you can come back this afternoon with a time frame you think you can do it in—

Dr Derham: Yes, thank you.

Senator PATRICK: That's reasonable.

Senator Ruston: but I would be certainly urging you to do it as quickly as you can. But make sure that it's a fulsome report so that Senator Patrick and the rest of the committee have got as much information as possible.

Senator PATRICK: Can I ask—

CHAIR: Senator Patrick, how long is this next set of questions? Should we share the call and come back to you?

Senator PATRICK: Um—

CHAIR: Thank you. That's terrific! Senator Grogan, back to you.

Senator PATRICK: I hesitated—

Senator GROGAN: He who hesitates loses!

Senator PATRICK: We're working together for South Australia anyway, so it's okay.

Senator GROGAN: South Australia—hanging in!

Senator Ruston: Three of us. Four of us! Poor Perin!

Senator DAVEY: Someone's got to stand up for the rest of the basin. The rest of the basin is doing comparatively well!

Senator GROGAN: Yes, absolutely.

Senator Ruston: Just to respond to that, Senator Grogan: I'd like to commend successive governments in South Australia. I think South Australia has fared very well. There's been a really strong and united push from all sides of politics in South Australia, so I wouldn't say South Australia has fared badly. I think we've been very good at advocating and lobbying on behalf of—

Senator GROGAN: Absolutely. That wasn't my point. We are very much at the end of the system.

Senator Ruston: We are the Mexico—

Senator DAVEY: And the only part of the system that has a guaranteed water supply, year on year, thanks to the—

Senator PATRICK: Smart negotiation—

Senator DAVEY: Murray-Darling agreement.

Senator GROGAN: Thanks to the smart negotiation of successive governments in South Australia, which we are all very proud of.

Senator Ruston: Senator Grogan, let's move on or we won't be getting out of here at lunchtime.

CHAIR: [Inaudible] where the states line up together in a way—

Senator PATRICK: Yes, the Senate operating properly.

CHAIR: Yes. It's fascinating.

Senator Ruston: It's what the Senate needs to do.

CHAIR: Over to you, Senator Grogan.

Senator GROGAN: Floodplain harvesting—have you agreed on end-of-system flow rates that have to be reached for each of the planning areas in the northern basin?

Mr Reynolds: I might get Mr Goodes to add to this as well. In developing WRPs states have to give consideration to connectivity between connected systems. It doesn't require a specification of an end-of-system flow per se.

Senator GROGAN: But it would be a useful indicator?

Mr Goodes: It's a potential indicator but it's not a required indicator.

Senator GROGAN: So it's not an indicator that you use or turn your mind to?

Mr Goodes: No. If it was in the water resource plan, it would be the work that New South Wales, as the relevant government, would undertake to put in their water resource plan.

Senator GROGAN: Cool—which they would then provide to you?

Mr Goodes: Yes.

Senator GROGAN: That hasn't been part of how they put together their water resource plans?

Mr Goodes: That's right. It was a recommendation from a New South Wales parliamentary inquiry that that be considered. We'll wait to see the outcome of that.

Senator GROGAN: I think it's been agreed by a significant number of people that it is a good indicator. Under the plan, how much water on the flood plain would cotton growers, for example—from my figures of 2016-17, they have the largest farm use at 28 per cent—be allowed to harvest from the northern Murray-Darling Basin?

Mr Goodes: The plan doesn't dictate—nor do individual licence holder conditions dictate—what purpose an extraction could be taken for. It would generally specify a volume—and the volume for which that's used is up to the titleholder.

Senator GROGAN: Has any work been done to disaggregate that, to think about it in terms of the different uses? I don't mean that in the sense of preferencing flowers, vegetables, sugarcane, cotton or whatever in terms of how that's reported in terms of farm use.

Mr Reynolds: Not by the Murray-Darling Basin Authority. The obligation on states is to report aggregated use—not by crop type, industry type or anything like that. I'm sure that, within states and other agricultural industries, they would probably collate information themselves around industry use. But it is not something that is reported to the Murray-Darling Basin Authority as a requirement of the Basin Plan, so we don't have that information.

Mr Metcalfe: Senator, if you'd like, I could check on notice whether ABARES has any of that type of information.

Senator GROGAN: They do release that data. That's the data I'm looking at now. They do have it.

Mr Metcalfe: I'll certainly see whether there has been any ABARES material or other material that we could refer to you.

Senator GROGAN: How much floodwater have irrigators been taking through flood plain harvesting since the Basin Plan was adopted in 2012?

Mr Goodes: There are limitations in terms of: flood plain harvesters have an allowance, so there was a volume under cap in northern New South Wales and overland flow in Queensland, and one of the important parts of the reform is to better estimate and then license, measure and monitor that take, and that's part of the challenge in the development of the water resource plans: to provide a more accurate estimate of the baseline level of take. As we were talking about earlier, the latest best estimate that New South Wales has provided to the authority was in 2020, when the first draft water resource plans were submitted, and that volume was estimated to be approximately 243 gigalitres, and that's for five valleys in the north of New South Wales.

Senator GROGAN: And more broadly? That's five valleys—

Mr Goodes: Yes. In New South Wales, there are only five valleys where flood plain harvesting is an activity. There are a couple in southern Queensland. I don't have a disaggregated volume for overland flow in Queensland but could provide that on notice.

Senator GROGAN: If you could provide that on notice, please, that would be very useful. The Wentworth Group of Concern Scientists, after consulting the authority on the methodology and undertaking some adjustments for drought years and environmental water recovery, reported that actual river inflows into South Australia were 22 per cent less than expected in the first seven years of the Basin Plan implementation. I know you've seen that report, because it was provided to the authority, and the Wentworth Group of Concerned Scientists met with the authority and the department and various other people to talk through it. It was quite an alarming piece of work in terms of the difference—and it was accepted, I think, that the system needed tightening in terms of monitoring, metering and understanding where the water was going, but the difference was quite significant, at 22 per cent running into South Australia. Do you have a sense of what proportion of loss is occurring into South Australia from that difference between what's estimated—what's assumed to be happening—and what's actually in the river system?

Mr Reynolds: I'll just see whether Dr Coleman has any information on this, but are you asking whether we have an assessment of the loss in river flows?

Senator GROGAN: Yes. So there was a significant piece of work done by the Wentworth Group of Concerned Scientists, the methodology for which was informed by negotiations with the Murray-Darling Basin Authority, and various things were taken into account to make sure that it lined up and was a robust piece of work that would be of use. I think that was in 2018 or 2019. Since then, have you done anything to actually assess the difference between what you're assuming is happening and, when that detailed piece of work is done, what is actually happening?

Dr Coleman: I think you're right that it was 2019 when that Wentworth Group analysis came out, and they did talk about a 22 per cent, I think, shortfall. We have a few questions about that number, so we did talk to them about the process they went through in coming to that number, but one of the big challenges with that analysis is that they were using a long-term planning model to make that assessment, and that long-term planning model assumes that the Basin Plan is completely implemented—that it is fully rolled out—whereas, in actuality, over the last few years, the Basin Plan has been progressively rolled out, so environmental water recovery and environmental water delivery have been progressively coming on board.

I think that 22 per cent number has a fair degree of uncertainty around it. We wouldn't call that established science. What we've done at our end is conduct our own hydrological analysis, looking at the flows across the basin since the Basin Plan was implemented. That came out in the Basin Plan evaluation that was released 18 months ago, so at the end of 2020. We found through that analysis that the Basin Plan has increased flows through the river and we are seeing improved environmental outcomes because of environmental water delivery.

Senator GROGAN: One of the key things from that piece of work was the difference between what everyone believed to be the case and what was then identified through that. Even if you question part of the number, if you dig further into that methodology you can still get some concrete material out of that that still tells you that there is a difference. Would you agree?

Dr Coleman: Yes, I would agree. There are useful components to that analysis that we've taken on board in our own analysis, but the challenge we're always facing with this type of analysis is essentially to unscramble the egg. We know what the flows are in the River Murray, for instance, and the challenge is to then disentangle that flow and work out how much of that comes from environmental water and how much is lost. There are useful components in the Wentworth Group analysis, but that challenge remains. There's still no definitive answer.

Senator GROGAN: We could go to Senator Walsh.

CHAIR: We might go to Senator Davey, then Senator Walsh and back to you.

Senator GROGAN: Sure.

Senator DAVEY: Dr Coleman, have you done a comparison pre Basin Plan and post Basin Plan? I'm thinking of the really dry years, so 2006-07 compared to 2017-18, which were both extremely low—New South Wales had zero allocation. In relation to the flows that are going over to South Australia and particularly the outcomes at the Lower Lakes, what were the Lower Lakes like in 2006-07 compared to what they were like in 2017-18?

Dr Coleman: We are seeing progressive improvements in Lower Lakes conditions in South Australia, but it's a long game. The millennium drought had a large impact on the Lower Lakes health, so we're seeing that as a multi-decade recovery process. During the drought in 2017, 2018 and 2019 environmental water was the critical factor. In terms of how much water flowed over the border and into the Lower Lakes, environmental water was the major contributor. That's a direct outcome of the Basin Plan in sustaining the health and sustaining that long-term recovery of the lakes.

Senator DAVEY: That's a good news story?

Dr Coleman: That's right.

Senator DAVEY: It's an indication that the Basin Plan, even though the recovery of the Lower Lakes is a long-term thing and will take a great deal of time, is starting to have an impact. We're not going backwards.

Dr Coleman: That's right. It is a measurable impact that we have seen over the last few years of sustaining the health of the lakes.

Senator DAVEY: That's reassuring. I have some questions for the department. I want to talk about the sustainable diversion limit adjustment mechanism projects. The ministerial council meeting last year agreed that some of those projects could be rescoped. I'm specifically interested in the New South Wales projects. What actions have you been doing with New South Wales to bring forward rescoped projects at Menindee and Yanco Creek?

Ms Connell: Thank you for the question. We've been proactively working with New South Wales to progress rescoped projects at Menindee and Yanco Creek. They've put forward a draft proposal for us to consider, which we are currently reviewing and discussing with them; we are requesting additional information. I might ask Dr Derham to provide a bit more information on the progress of those discussions.

Dr Derham: Yes, we have been proactively working with New South Wales in relation to the packages that we received from Minister Anderson on 28 March. He has proposed a variation to what New South Wales refers to as their Better Baaka and Better Bidgee proposals, about which there is information available on the New South Wales websites. New South Wales, since late last year, has been continuing consultation with the communities, particularly in the Murrumbidgee. That relates to the Yanco Creek Offtake Project. We understand there have been some great, constructive discussion. There are still uncertainties about the nature of the project and, more importantly, how infrastructure will be operated and the impact of different flows that may arise from those infrastructure changes. But, notwithstanding that, there seems to be a greater level of support for where the Yanco Creek Offtake Project rescoping is heading, and at this stage the nature of the proposal from New South Wales is more aligned with what the infrastructure will need to be. At Yanco, it's about changing the weir height, for example, which is already publicly known, but there's greater support from the community now with where that's heading. As I said, the concern now is about the actual operating rules.

In terms of the Menindee projects, again, we received some information about areas where there's prospective development to progress with the community. Obviously, there are various elements to the Menindee projects. It's quite a complex project and quite contentious with the communities. At the moment, there are still some infrastructure changes being proposed by New South Wales, potentially associated with the Menindee Weir, and there are other works associated with Weir 32 and the Morton-Boolka regulator. So we are actively working with New South Wales at the moment to ensure that we have enough information to understand the infrastructure proposals and the rigour of the infrastructure costs that they've associated with the proposal that came in towards the end of March, which were in the order of $600 million.

Senator DAVEY: So they have proposed funding arrangements for these rescoped projects. Did you say the department's considering those? What advice have you provided to the minister about these rescoped projects?

Dr Derham: At this stage we've been trying to understand the nature of the proposal that's come in. Obviously, the minister received the proposal, and he has asked us to investigate that. We are doing that. We are also trying to work with the Treasury, because it's quite a substantial proposal that's being put to us. We're continuing those consultations with the Treasury.

The big thing that we've done since receiving that proposal was to engage an independent consultant, an engineering firm, to help us understand the infrastructure build and the proposal in terms of how they're going to continue to move towards a business case that gives us the confidence that the investment is sound and meets our due diligence requirements. In our briefings to the minister, we have been informing him of the steps that we are taking to ensure that we understand the proposal that's been provided and to go through the due diligence steps that we need to to ensure that's a value proposition.

Senator DAVEY: So you have contracted an independent engineering firm. Is that not duplication? Would that not be something that New South Wales is meant to do because they're New South Wales projects? I'm a bit confused about why we would need to contract out to someone and do the work that New South Wales is meant to do in order to prove its business case?

Ms Connell: It's standard practice for us to get independent advice to verify the submissions that are put to us from states. That's something we do in the Off-farm Efficiency Program as well to contribute to the evidence base in terms of the funding proposal being value for money.

Senator DAVEY: I'm trying to understand the timeline, because the agreement to rescope was at the ministerial council last year. At what stage do we think we will see progress on these rescoped projects? When do you think we will start to see them being implemented?

Ms Connell: We acknowledge that New South Wales is running late in terms of the commitment they gave last year, but, as Dr Derham said, the Menindee Lakes project in particular is very complex in terms of stakeholder issues on the ground. New South Wales have invested considerable effort and energy over the last 12 months of working with stakeholders in Menindee across a broad range of interest groups to get their buy-in to a proposed rescoped project. They've now given us, the department, an application to consider in terms of rescoping the project. We're working through that with them.

We are also focused on making sure there is no pause. We currently have a funding arrangement in place with New South Wales for preconstruction funding. So we are working with them to make sure they can continue that stakeholder engagement, continue preliminary investigations and look at getting altered arrangements in place to fund the altered proposal they have given us.

Senator DAVEY: They gave you that proposal on 28 March?

Ms Connell: That's right.

Senator DAVEY: How long it will it take you to assess it to give the minister the advice as to whether it's an adequate proposal or not?

Dr Derham: As I indicated, it's quite a substantial investment. We're also working closely with Treasury to make sure we meet their expectations in terms of due diligence associated with that. We also need to make sure that these projects continue to deliver on the Basin Plan outcomes. So there are a quite a few lines of evidence we are working through. We are working as fast as we can. It's very hard to put a time frame on it at the moment. But, as my colleague Ms Connell said, we're also working to ensure that New South Wales continues to work within the existing funding arrangements we have to keep progress going.

Senator DAVEY: I'm just concerned because I know we've seen the Productivity Commission recommend the 2024 deadline for these projects be extended. Victoria and New South Wales have both indicated that the timeline is going to be tough to meet. If we don't keep momentum going, they definitely won't meet the deadline, despite the best efforts of everyone.

Senator WALSH: I've got some questions about the recent reports around fish die-offs near Toowoomba.

Senator PATRICK: Minister, why are you wearing a Crows scarf?

Senator Ruston: Because I'm very hopeful that our collective teams, senators from South Australia, will be victorious tomorrow in the AFLW final.

Senator PATRICK: That explains it. I thought it was something as a result of a showdown.

Senator Ruston: No. It's a shout-out to our girls tomorrow, with a 12 o'clock kick-off. Go the Crows!

Senator PATRICK: We all agree.

Senator WALSH: That will be very interesting in the transcript!

Senator PATRICK: But important.

Senator Ruston: You're outnumbered, Senator Walsh. There are more South Australians in this room than people from any other state.

Senator WALSH: I'm glad the minister is supporting the 'W'. That's great. Media reports from earlier this week have raised the prospect of a blackwater event in Cooby Dam near Toowoomba, possibly related to the floods in Queensland and New South Wales. Is the basin authority monitoring that situation?

Mr Reynolds: That's not a role directly for the MDBA. Management of those local blackwater issues rests with state agencies. We've undertaken, throughout the season, to assist with coordination across state agencies, but that specific issue would be a matter for the Queensland government.

Senator WALSH: The question was whether the authority is monitoring it and whether you have any concerns that any blackwater or chemical contamination would continue into the basin.

Mr Reynolds: Once again, direct management of those water quality issues is for state agencies. We coordinate with state agencies; we have published on our website an analysis of risks across the basin, as an awareness exercise, so that communities can be forewarned about the potential risks of water quality issues like this. But the direct intervention and monitoring of specific events like that rests with state agencies.

Senator WALSH: So your role is to identify the risk and to communicate that risk to your stakeholders, whilst the state government has responsibility for managing it?

Mr Reynolds: We assist with that because there is a desire amongst stakeholders for greater transparency of these issues. But state agencies also will communicate directly about specific events and local issues like that. So the Queensland government would be handling that matter.

Senator WALSH: I understand what you're saying. You mentioned your role in communicating risks to stakeholders. Is that one thing on your radar as something that should be communicated by the authority as a potential risk?

Mr Reynolds: We regularly update a map of areas of potential water quality risks across the basin. We've been doing that across this season, given the standard of rain and flooding across the basin and the potential for blackwater events and the like emerging from that. This specific event is not one we've incorporated into that report as yet, given it's very recent; we update that report on a monthly basis. It's more of a scan of the whole basin. A specific event like this and the communication of the specific details of it as it unfolds would rest with the Queensland government.

Senator WALSH: I think that explanation is probably going to apply to my next question, which is about the reports of invasive fish species in Cooby Dam. It's reported that that is being managed by Queensland biosecurity officials. Is that in the same sort of category—that it's something that may make its way to your assessment and communication of risk in coming reports?

Mr Reynolds: Yes, that's in a similar vein. Our routine reporting has been around water quality threats as opposed to a particular non-native fish threat like that.

Senator WALSH: I don't have any further questions on that line.

Senator PATRICK: The MDBA has recently done a report into the growth of almonds; is that correct?

Mr Reynolds: We've recently published a report on the development of permanent plantings in the Murray system, yes.

Senator PATRICK: Can you give to the committee a top-level summary of what's happening?

Mr Reynolds: We've done as part of that what we call Sunrise 21 mapping. We've mapped the area of permanent plantings in the Murray system, and we've seen continued growth. That data had been done up until 2018; we've recently extended it through to 2021. We're seeing continued growth in permanent plantings in all three states.

Senator PATRICK: I thought Victoria had a moratorium on it.

Mr Reynolds: Victoria's got a moratorium on the issuing of additional extraction licences. It doesn't prevent people who already hold a licence from changing what they use that water for. That's a land-use planning matter rather than a water matter.

Senator PATRICK: And so the other states?

Mr Reynolds: There isn't a similar restriction on new licences in the same way as there is in Victoria. What we've seen is agricultural production transfer from other enterprises, grapes and other things, into almonds, particularly over the last three years.

Senator PATRICK: In one sense, that is my concern. Obviously, we've talked about getting water through the Barmah Choke to be able to feed the almonds that are west of the choke. My understanding from that report is that there's reasonable growth in New South Wales in relation to almonds. I have some concerns about supplementary water in relation to that. We've also seen the situation where we've got cotton on the Murrumbidgee, almonds on the Murrumbidgee. Let's assume people are not working outside their licence requirements, but it means that other industries end up suffering—you've said yourself: moving from grapes to almonds. My view is that the basin is a food bowl for Australia. It's a national asset, and if you let the market operate freely, as it appears to here, you end up only having a couple of types of crops, which might be great for export but not good for a nation that wants to have a resilient food supply. So, what is the report saying in the context of that particular issue?

Mr Reynolds: The report is a factual assessment of what's changed on the ground in the areas of various crop types. It doesn't make an assessment of the relative merits of that; it's just a factual assessment and it provides information to both governments and the market about how things have changed over time. Developers or businesses with permanent plantings will have further insight into what the demands on the available water supply might be, particularly in dry times, as a result of that information.

Senator PATRICK: We've seen dairy farmers suffer because of this sort of problem in the past. I just maybe go back to the minister. The issue being: we have particular plants that are quite profitable, plantations that are quite profitable—cotton, almonds—and they end up being able to afford the water, particularly in lean times, and that actually shuts down other food production across the basin.. For example, we saw that the government had to intervene in the market to ensure we had fodder during the recent drought because people weren't producing it. The water wasn't available at a reasonable price. What's the government's view? Is it just simply to let the market do what it needs to do versus national interest, which a farmer can't determine, by making sure we have the right mix of crop and the right resilience across the basin in respect of food production?

Senator Ruston: I'm not quite sure what you're suggesting in relation to the level of intervention by governments into the market in the types of crops they may choose or, for that matter, how they may deploy their productive assets. In this instance the productive asset, obviously, is the water and the land.

I would contend that in the majority of the cases the market operates best. When governments start interfering with markets historically, if you look around the world, it doesn't usually end well. Governments have mechanisms by which they can intervene in a market under exceptional circumstances, and you made reference to one of those examples of the drought and the provision of fodder to keep animals alive during those critical times. The government I'm a member of is not in the business of intervening and telling people how they should be using their productive assets but, obviously, the government has a role in terms of the national interest. If from time to time temporary and targeted measures are required to ensure that there won't be detrimental impact in the marketplace is a completely different proposition than suggesting that the government might tell a farmer that he's got to grow almonds or he's got to grow pumpkins. I think that would be an extraordinary overreach by a government.

Senator PATRICK: I'm not suggesting a Soviet state here, but I put it to you: a farmer cannot work out national interest and should not work out national interest. Their job is to do the best they can with their—

Senator Ruston: They're businesspeople.

Senator PATRICK: Yes, they're businesspeople, but the basin itself is a national asset. I'm asking: what is being done at that higher level to monitor the concern that I'm raising whereby we skew all of the production on the basis of market choice and end up with other crops that are important to have here in Australia not being grown?

Senator Ruston: The market will tell—

Senator PATRICK: I cite COVID as an example of disruption.

Senator Ruston: I think everybody would accept the fact that we saw some extraordinary circumstances around COVID, particularly when our supply chains into the country and out of the country were severely compromised. We're still seeing the residual effect of that across the world. But in Australia we believe in a market mechanism. The consumer will decide what they want to purchase and what they don't want to purchase. The other thing I'd say is that Australia is a rich country because we're an exporting nation. You cannot undervalue the extent to which our farmers provide the revenue at the bottom line through revenue earnings from exports. The kinds of reports that Mr Reynolds was talking about, where you get Commonwealth oversight around what's happening out there in the market, provide useful market information tools for farmers so that they can understand what's going on. Obviously, it's important to have significant investment in organisations like ABARES to make sure that information is constantly available to farmers, the businesspeople of the land, about the decisions they may make going forward. The role of government is to make sure that the information is constantly made available at that high level so that people can make their own decisions in their best interests when it comes to the deployment of their assets.

Senator PATRICK: We'll have to disagree to a certain extent about the government's duty from a national interest perspective to be able to ensure that we have a variety of crops here in Australia.

Senator Ruston: It goes back to the point about duty. Governments have different views in terms of how much they want to intervene in the market. I obviously sit in a government that believes that the market is best placed in the majority of circumstances to provide the best possible outcome. Of course, there are circumstances that occur where you have market failure, either for temporary reasons or sometimes for longer-term reasons, and that's where governments can intervene. But I would say that the history of long-term government intervention in markets around the world—not temporary, targeted measures, but long-term interventions—is that interventions have not always played out as best they can for the national interest or the individual's interest, and in this instance we're talking about farmers.

Mr Metcalfe: If I could add to what the minister has said, Australia is a major food and fibre exporter. We produce effectively twice as much for export as we consume locally. Around 90 per cent of what we consume in Australia as food is grown in Australia and 10 per cent is imported from overseas, and a lot of the imports tend to be luxury food items. I think we're the only country that's an entire continent, and so we have a whole range of crops grown across several different climates. The aspect of food security is obviously always a significant issue, but Australia is very blessed in the resources that we do have. There are probably more choices for consumers in the markets and in the supermarkets now in terms of product than we've seen in our history because of innovation around food production and agricultural production. One of the areas where the government has sought to ensure fairness is around the relative market power between producers and retailers. The dairy code is an example of where there's been efforts to ensure better transparency as to the fairness of the price actually paid to producers so that they can get paid for what they produce rather than loss-leading activities occurring in supermarkets with particular products. So, the dairy code is one example where the government sought to ensure transparency and fairness.

Senator PATRICK: You talked about food security with some level of knowledge, so I presume the department has actually looked at that, and therefore I wonder what you can provide the committee on that.

Mr Metcalfe: I look at a lot of issues, and when you look at the mega trends affecting the globe over the coming decades—and ABARES has published some work on this—I think it would be prudent for any national agriculture department to be mindful of one of the key aspects of a country, and that's our ability to feed ourselves.

Senator PATRICK: It wasn't a criticism. I'm just saying, because you're doing that, I wonder whether or not you've got information more detailed that you can provide the committee.

Mr Metcalfe: I'd be happy to have a much longer briefing. ABARES has done some very good work on this. Obviously a lot of the work that's been done to provide irrigation districts across Australia and to expand irrigation districts across Australia is to provide greater confidence about food in dry years et cetera. So there are a whole range of policy issues. But net result is that this year Australian agriculture will produce more than it ever has by a large margin. That's off the back of a couple of very wet seasons and global commodity prices being at an all-time high in some areas. That's a fantastic thing. A lot of resourcing goes into innovation in agriculture, obviously the research and development corporations and CSIRO. There's a huge amount of work into protecting our agriculture environment through our work on biosecurity. So, in many ways, a lot of the work of my department is not only about ensuring Australia's food security but ensuring the profitability of farm and food businesses right across the country, and we're in record territory at the moment.

Senator PATRICK: Can I switch to the National Water Grid Authority board dismissal?

CHAIR: Senator Patrick, we dealt with the National Water Grid during the department's appearance on Monday.

Senator PATRICK: Did you deal with that issue, the board dismissal?

CHAIR: Yes, we did.

Mr Metcalfe: It's a different department, of course, so I can't comment. The department of infrastructure.

Senator PATRICK: Alright.

CHAIR: Thanks, Senator Patrick. Senator Grogan.

Senator GROGAN: In 2013 the state and federal governments adopted the Constraints Management Strategy, and implementing it requires flood easement agreements with private landlords. Can I get an update on how many agreements have been reached?

Ms Connell: If I ask Dr Derham to come to the table. I'll just note that the obligation to put those agreements in place is between states and landholders.

Senator GROGAN: But you have a line of sight over that.

Ms Connell: That's right, yes.

Dr Derham: I'm not aware that there are any formal contracts in place at this stage. I am aware that there's been some significant consultation happening in South Australia with the relevant parties down there as well as in NSW as part of the accelerated project that we signed up on with NSW last year, particularly in the Koondrook-Perricoota reach and the mid Murray Anna branch. And I'm aware that NSW is actively discussing next steps with the rest of the community. They're part of what we call the Hume to Yarrawonga constraint project in NSW.

Senator GROGAN: But there's none so far.

Dr Derham: I'm not aware of any so far.

Senator GROGAN: Do you have a sense of what that time frame might be?

Dr Derham: As I just alluded, those particular ones are more eminent. They'll also pilot in those jurisdictions the rollout for other landholders to then participant. It's establishing the framework for those agreements, the terms of those agreements, and then they'll be able to start to roll that out more systemically with the remaining community landholders.

Ms Connell: We should note that this is an area where we've done considerable work with South Australia, NSW and Victoria over the last 18 months, in particular, to support them to accelerate the most prospective projects in this program of work. Compared to where we were about 18 months ago, there's been significant progress. Again, it's a program of work which requires states to work closely with a large number of stakeholders.

Dr Derham: I would add to that list that we always tend to think about the southern basin, but there is also a constraints project in the northern basin, in the Gwydir. We recently received a business case from the New South Wales government in progressing that, and that assessment is awaiting a decision from the minister. It's looking very prospective for the progress in the Gwydir catchment as well, which has three reaches in the valley.

Ms Connell: The key thing is that we've now got funding arrangements in place, we've got states working with each other in terms of engagement arrangements and we're well placed to start to accelerate discussions and deliver some of those on-ground projects across three states.

Senator GROGAN: You feel confident that that's starting to get some traction?

Ms Connell: Yes.

Dr Derham: There's definitely momentum building. I had no momentum; I'm taking it! As I said, once we start to get landholders to agree to the terms of the arrangements that each of the jurisdictions are negotiating, we'll start to see more and more progress with those projects, as well.

Ms Connell: There were some significant concerns amongst large numbers of landholders, so there's been a lot of work done to deal with some of the concerns and fears that they had in terms of making available to them additional information and modelling. In NSW they have now deployed their Local Land Services in terms of dealing with landholders, which is a significant step forward. The Local Land Services agencies in NSW have people on the ground who have pre-existing established relationships with landholders and interface with them on a range of programs of work.

Senator PATRICK: I'm happy to stop now.

Senator DAVEY: I have one question for the CEWH. He sits here so patiently all day; I can't bear to let him get away with—

Senator GROGAN: Not quite sitting in the front row; not quite sitting in the back row.

Senator Ruston: It's a bit like being an assistant minister, really.

Mr Taylor: On standby.

Senator DAVEY: This is just a very broadbrush question, but the Basin Plan was passed in 2012. We heard this morning that you've got over 2,100 gigalitres in your portfolio now, and you've got 10 years of experience managing that water. I'm just interested to hear what you think the successes and failures of the process are, what we're achieving with our water and what you've learnt over time about how we can best make use of that portfolio?

Senator PATRICK: And you've only got 20 minutes.

Mr Taylor: I was asked a similar question yesterday in a forum with the peak body about what we think is the best outcome we've achieved. I thought about it in a few ways, and I thought, 'In the absolute pits of the 2018-19 drought, one of the best outcomes that we achieved was the supply of water through connectivity flows in the northern basin that kept a system that was in absolute dire straits ticking over just long enough for natural flows to come in behind it.' That had an amazing impact upon the northern basin fish populations, which are now flourishing and restocking big chunks of the basin. As importantly, a co-benefit of that was that, for every town that our water passed through as it moved down the river, you had to fill the weir pool in that town before it could go on and do further environmental work down the river. The cultural and social benefits in those remote towns in the northern basin were extraordinary. I think that's one of the really outstanding outcomes that we achieved.

Then I flip to a year like this, a really wet year, and people think, 'Well, what do you need environmental water in a wet year like this for?' We already this year, with some months to go, have used more water than in any other year since the Commonwealth Environmental Water Holder was established. People will think: why? There are a couple of really standout things that have been achieved in a wet year like this. One is that, at the beginning of the season when there was uncertainty around how much water was coming and what we were going to do, we were actually able to work with water managers and river operators to get the Great Darling Anabranch connected from Lake Cawndilla through to the Murray. We didn't know how much more water was going to come, and without environmental water that couldn't have been started. That was something we underwrote and achieved and that's, as they call it, a fish super highway in the western part of New South Wales, so it's a really critical outcome.

Another thing we've used water for in this wet year is that in the mid-Murray area, in the Murray Irrigation Limited footprint, we've put through probably around a million dollars worth of water, in terms of fees and charges, to Murray Irrigation Limited, and we've used their infrastructure to deliver that water into streams and creeks in that mid-Murray area to provide plumes of fresh water when there was some blackwater going through that area. There was a question about blackwater before. And that was like an insurance policy, heading off the possibility of fish deaths as we saw in the floods in 2016. So far—touch wood—it's been successful. If those floods get to a stage some time later in the year where they inundate vast areas of the flood plain, we can mitigate but we can't stop those natural events happening in terms of fish deaths and things. But this year so far that's been successful.

The other thing we've done is that in this wet year a number of natural bird breeding events have kicked off. Because the rivers are regulated, sometimes the tail on the recessions as those rivers recede back down is quite sharp. These bird breeding events can be left stranded high and dry, and then feral animals can get in there, and nests can be abandoned or disrupted by feral animals. We've managed to get pelicans through to roost fledglings. We've had other birds in other wetlands right across the system that we've supported with water on the back of it. So we've slowed the angle of that recession, kept the water in there and allowed the birds to finish their natural cycle.

If we look at it in the longer term, and I think it was mentioned before, during the 10 years immediately after the Millennium drought there was connectivity between the Murray River and the Coorong every year. Eight out of those 10 years that connectivity would have been disrupted without environmental water. That's a significant contribution to the recovery of that system. Some years it was not much more than a trickle. We just had a few gates open in the barrage, we allowed that passage of fish back and forth, we allowed that continued export of salt, and we've actually seen both the bottom end of the river and the Coorong gradually improving. It's a long trajectory, but that's on its way.

They're some of the highlights. And that doesn't touch on some of the things we've done with other big fish breeding events and bird breeding events, but it gives this idea of a dry time, a wet time, and a longer-term time.

CHAIR: Does anyone else have questions for the CEWH?

Senator GROGAN: No. I just wanted to check in and see if we've had a response from Minister Pitt about the WESA.

Senator Ruston: No, I haven't. I rang and attempted to contact him during the 11 o'clock break. I don't know whether he's travelling but it went through to voicemail. I've left a message and I will advise the committee as soon as I've heard back. I haven't had a response in the time I've been sitting here.

Senator PATRICK: Assuming we're adjourning, that means in writing or in an email to the secretariat?

Senator Ruston: I'm happy to make sure I provide a formal response to the secretary.

Senator PATRICK: Can I also ask about the agreed time frame for the tabling of something of a 450 plan?

Senator Ruston: Yes. Equally I didn't get to speak to the minister about that, but I will put my neck out on this one and say you'll have it in two weeks.

Senator PATRICK: Okay. I'll hold you to that.

Senator Ruston: I know you will.

CHAIR: That concludes today's proceedings. I thank Minister Ruston and all witnesses who've given evidence to the committee today. Thank you also to Hansard, broadcasting and the secretariat.

**Committee adjourned at 12:44**