

Thank you Chair

- In June this year, Basin First Ministers reaffirmed their shared commitment to the Basin Plan when the Council of Australian Governments welcomed the Murray Darling-Basin Ministerial Council's plan to implement the Basin Plan.
- I wanted to provide the Committee with an update on the progress that has been made since June towards implementing the Basin Plan in full and on time.

Water recovery

- As at 31 August 2017, 76% of the target volume for surface water had been recovered or contracted. This means we are well on the way to reach the Basin water recovery targets by 2019.
- This water is already being used by the Commonwealth Environmental Water Holder across the Basin to achieve real outcomes for a healthy working MDB. For example:
 - across the Winter of 2017, environmental water was used to boost natural high flows across the Northern Basin and down to Menindee Lakes supporting significant breeding and migration of Golden Perch, and
 - watering in mid-2017 has seen great results for waterbirds at the Booligal wetlands on the Lachlan and in the Lowbidgee with over 6000 nests.

Sustainable Diversion Limit Adjustment Mechanism

- In June this year, Basin water ministers endorsed the final package of Sustainable Diversion Limit adjustment mechanism projects.
- The Murray-Darling Basin Authority has now released a draft SDL adjustment determination report which proposes an SDL offset of 605 gigalitres.
- The report is open for public submissions until 3 November 2017. Advice is expected to come to the Deputy Prime Minister by 15 December.

Independent expert analysis of efficiency measures

- In June, Basin governments reiterated their commitment to finding the best pathway to recover an additional 450 GL through efficiency measures with neutral or improved socio-economic outcomes.
- EY has been commissioned to complete the independent analysis on efficiency measures across the Basin.
- Following extensive consultation EY, is on track to deliver its final report in December 2017.

Northern Basin Review

- MDBA has proposed Basin Plan amendments for a 70 GL reduction in the northern Basin water recovery target combined with a suite of 'toolkit measures' aimed at improving water management and environmental outcomes across the northern Basin.
- In June, New South Wales, Queensland and Commonwealth water ministers committed in-principle to implement a package of toolkit measures, subject to available funding.
- Good progress has been made in finalising outcomes of the Northern Basin Review and advice is expected to be provided to the Government by the MDBA in the near future.

Evaluation of Basin Plan outcomes

- As per the requirements of the Basin Plan, the MDBA is undertaking the first of what will eventually become five yearly evaluations of social, economic and environmental outcomes of the Basin Plan. The evaluation will provide an important reference point for all Basin governments in adaptively managing implementation of the Plan.
- The MDBA will release its interim evaluation of Basin Plan outcomes in December.

Investigative and review processes underway

- Alongside this good progress, the Department is well aware of the recent allegations and media reporting about water management in the Basin and aspects of Basin Plan implementation. I can assure you that the Department takes these matters seriously. Each allegation needs to be treated on its individual merits and handled by the responsible government and entity best placed to resolve the issues.
- Of course the Department and other agencies at the table expect to answer questions in relation to some of these matters today.
- I do want to make some quick points about the various processes now underway that relate to the allegations raised by Four Corners.
- The **Murray Darling Basin Authority**, assisted by a panel of independent experts, is undertaking a Basin-wide review of the adequacy of states' water compliance and enforcement arrangements.
 - The independent panel is also preparing a separate report to Basin ministers on the MDBA's own compliance and enforcement functions under the Commonwealth Water Act.
 - This will be finalised in the lead up to the next Basin Water Ministers' meeting scheduled for November this year.
- Separately, the **NSW government** has commissioned Ken Matthews AO, to undertake a detailed investigation into the Four Corners allegations as they relate directly to both the administration of NSW water law, and the conduct of certain NSW officials.
 - Ken Matthews provided his interim findings on 8 September, and the NSW government has already responded including by:
 - giving priority to the installation of water meters for all large water users within the next 12 months, and
 - moving to legislate for a new independent Natural Resources Access Regulator.
- I also understand that the **NSW Independent Commission against Corruption** and the **NSW Ombudsman** are investigating aspects of the allegations raised on the *Four Corners* program.
- In addition, the **Australian National Audit Office** is currently auditing the administration, by our Department, of payments under the *National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin*.

- The **Queensland government** has separately decided to undertake its own audit of rural metering, measurement and compliance arrangements across the state.
- The Government considers that these processes represent effective and proportionate responses to the range of allegations raised in the Four Corners program.
- Finally Chair, I would like to note that this is the last Senate Estimates appearance of David Papps who is retiring later this year. It is well-earned, and we are indebted to him for his service to the Basin and the nation. He carries enormous regard and respect from all quarters.