



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT  
LEGISLATION COMMITTEE

**Estimates**

(Public)

FRIDAY, 29 OCTOBER 2021

CANBERRA

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

**Friday, 29 October 2021**

**Members in attendance:** Senators Antic [by video link], Davey, Grogan, Hanson-Young, McAllister, McDonald, McLachlan [by video link], O'Neill, Patrick, Rennick and Roberts

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

Senator Ruston, Minister for Families and Social Services and 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

**Corporate and Business Services Division**

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

**Finance Division**

Mr Paul Pak Poy, Acting Chief Finance Officers

**Legal Division**

Ms Alice Linacre, Chief Counsel

**Inspector General of Water Compliance**

The Hon. Troy Grant, Inspector-General of Water Compliance [by video link]

Mr Daniel Blacker, Deputy Inspector-General of Water Compliance [by video link]

Ms Bridgett Leopold, Deputy Inspector-General of Water Compliance [by video link]

**Murray-Darling Basin Authority**

Mr Andrew Reynolds, Acting Chief Executive

Mr Tim Goodes, Executive Director, Basin Plan Portfolio [by video link]

Mr Andrew Kremor, Executive Director, River Management Portfolio [by video link]

Ms Annette Blyton, Chief Operating Officer, Business Services Portfolio

Ms Jacqueline (Jack) Knowles, Acting General Manager, Communications, Engagement and Strategy

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

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

Ms Jacqui Hickey, Acting Executive Director, Basin Strategy and Knowledge Portfolio

Dr Matthew Coleman, Director, Applied Science Branch

**Water Division**

Ms Rachel Connell, First Assistant Secretary

Dr Peta Derham, Acting First Assistant Secretary

Ms Kirsty Bunfield, Assistant Secretary, National Water Policy Branch  
Dr Marcus Finn, Assistant Secretary, Healthy Rivers Branch  
Ms Fiona Wright, Assistant Secretary, Industry, Community and Science Branch  
Ms Susan Buckle, Acting Assistant Secretary, Murray-Darling Basin Policy Branch  
Mr Matthew Dadswell, Assistant Secretary, Implementation Taskforce

## **Department of Infrastructure, Transport, Regional Development and Communications**

### **Executive**

Ms Marisa Purvis-Smith, Acting Deputy Secretary

### **Water Infrastructure and Northern Australia**

Mr Malcolm Southwell, Assistant Secretary, Science, Policy and Engagement  
Mr Mark Darrough, Assistant Secretary, Infrastructure Framework and Delivery

### **Committee met at 09:03**

**CHAIR (Senator McDonald):** 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 2021-22 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 fixed Friday 10 December 2021 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 by the close of business on Friday 12 November 2021.

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.

*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 requirement 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 document.

Senators, departments and agencies have been provided with advice on the arrangements in place to ensure the budget estimates 2021-22 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.

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

#### **Murray-Darling Basin Authority**

[09:06]

**CHAIR:** I now welcome Senator the Hon. Anne Ruston, Minister for Families and Social Services and Minister for Women's Safety; Mr Andrew Metcalfe AO, Secretary of 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. Minister Ruston, do you, Mr Metcalfe or Mr Reynolds wish to make an opening statement?

**Senator Ruston:** I don't, but I believe the secretary does.

**Mr Metcalfe:** Good morning, Chair and senators. Thank you for the opportunity to provide an opening statement. We thought it would be most efficient if I provided an opening statement on behalf of all the agencies and departments here today.

It's heartening to be providing this update against the backdrop of improved seasonal conditions across much of the Murray-Darling Basin and because there's much to tell you about in relation to delivering Basin Plan measures. The Murray-Darling Communities Investment Package is on track and supporting Basin Plan implementation. The second report into progress was published in September to provide accountability to the community. The government developed the package to put people at the centre of the Basin Plan implementation. Together with the two previous rounds, the Murray-Darling Basin Economic Development Program has provided \$72.5 million to support 132 projects, building resilient economies across those areas of the basin most affected by the historic water recovery.

The \$330 million the Commonwealth has made available to fast-track five new New South Wales water-saving projects will provide environmental benefits while creating about 450 direct jobs. Similarly, the Victorian Goulburn-Murray Water project will receive \$177.5 million from the Commonwealth, generate 15.9 gigalitres of water to count towards a 450-gigalitre target and create over 900 jobs. In the northern basin, Minister Pitt has approved 10 northern basin toolkit environmental projects in New South Wales and Queensland that help keep 70 gigalitres of water in productive use. We're fast-tracking \$90 million of our total \$180 million commitment.

Across the basin, water storages are currently at 89 per cent. This time last year they were at 57 per cent. In the north, the turnaround has been even more profound—from 27 per cent in October 2020 to 83 per cent now. ABARES has forecast Australia's agricultural production will top \$73 billion for the first time this financial year. With 40 per cent of Australia's food and fibre grown in the basin, it bodes well for our farmers and communities. There are still a few places doing it tough, and some grain farmers, conversely, are hoping for a spell from the rain to help with the harvest.

The Bureau of Meteorology indicates November to January rainfall is likely to be above the median across most of eastern Australia. With that in mind, a key priority for the Murray-Darling Basin Authority has been and will continue to be flood management of Hume Dam. They partner with the bureau and the state emergency services in New South Wales and Victoria to keep communities informed and flood ready.

To water allocations: there's some good news. With the exception of the Murrumbidgee, which remains at 63 per cent for general security, water users across the southern basin, in South Australia, Victoria and New South Wales, are enjoying full entitlements. For some, like New South Wales general security licence holders on the Murray, this is the first time since the 2016-17 water year. High allocations also mean higher water availability for the environment and the Commonwealth Environmental Water Holder, who manages 2,100 gigalitres on behalf of all Australians. Floodwaters have reached many wetlands that have not seen water in almost five years, replenishing lakes, dry riverbeds, river red gum forests and black box woodlands.

The early signs are looking promising for a boom waterbird breeding season. In the lower Darling, native fish stocks are recovering from the tragic impacts of the last drought. The Commonwealth Environmental Water Holder and his state counterparts are using available water to build on nature's efforts and consolidate on the benefits now accruing from delivering water to the environment over the last decade. Of course, there's still so much more for us to do, but we're working hard to put our department and all our agencies in the best position possible to support the government and, through it, the communities, industries and environment that we serve.

Finally, I want to place on the record the good work and commitment that staff of all our agencies and department have demonstrated over recent times, notwithstanding the challenges all Australians have faced through lockdown and border restrictions that have impacted on so many parts of our country. As always, we remain poised to be responsive to senators' questions today. We seek the committee's patience as we rotate officers in and out of the room as necessary. Of course, we will bring any outstanding answers back later in the session where possible.

**CHAIR:** Thank you. That is a terrific way to approach the day, that we have that information on the record to begin.

**Senator McALLISTER:** There's been quite a lot of public discussion about the demands put forward by the Nationals party room in exchange for support of Mr Morrison's preferred approach to net zero. Mr Metcalfe, was the department asked to provide any advice to the minister for water on amendments to the Murray-Darling Basin Plan as part of the Nationals' list of demands to support net zero by 2050?

**Mr Metcalfe:** No.

**Senator McALLISTER:** Can I ask whether the Murray-Darling Basin Authority was asked to make any contribution?

**Mr Reynolds:** No, we were not asked to provide any advice on that matter.

**Senator McALLISTER:** Mr Joyce has made public reference to a piece of correspondence prepared by the Prime Minister to him, as the Deputy Prime Minister, in relation to their list of demands. Was the part of the department that administers water asked to provide input on that correspondence between the Prime Minister and the Deputy Prime Minister?

**Mr Metcalfe:** Not to my knowledge. The department is not aware of whether there was any interaction between officers.

**Senator McALLISTER:** Minister, were any representations made to Minister Pitt by Nationals parliamentarians about potential changes to the Murray-Darling Basin Plan as part of the net zero agreement?

**Senator Ruston:** Not that I'm aware of.

**Senator McALLISTER:** Do you have knowledge of it? Have you discussed it with Mr Pitt?

**Senator Ruston:** No, I haven't.

**Senator McALLISTER:** Is the Murray-Darling Basin mentioned in the Nationals' agreement with Mr Morrison?

**Senator Ruston:** I'm not going to go to the nature of that agreement. I'm not aware of that.

**Senator McALLISTER:** You're not aware of the content of the agreement?

**Senator Ruston:** I am not aware of there being anything in reference to the Murray-Darling Basin in the agreement, nor would I be.

**Senator McALLISTER:** I see. So your answer—I'm trying to understand the nature of your answer.

**Senator Ruston:** I haven't seen the agreement—

**Senator McALLISTER:** You haven't seen the agreement.

**Senator Ruston:** but my understanding, from the discussions and the answers we've received from the agency, is that that's not the case. I can't give you a definitive answer, because I haven't seen the agreement.

**Senator McALLISTER:** Minister, were representations made to the minister from MPs or senators about changes to the Murray-Darling Basin Plan in the last two weeks?

**Senator Ruston:** Not that I'm aware of.

**Senator McALLISTER:** Minister, you, obviously, live in South Australia. I think you'll know that it's an issue that is of significance in your state; it happens that it's also of significance in mine. Are you confident that the government remains committed to implementing the Murray-Darling Basin plan in full?

**Senator Ruston:** Yes, I am.

**Senator McALLISTER:** So no changes to the plan, and no changes to the water delivery criteria as part of the ransom list prepared by the National Party?

**Senator Ruston:** Senator, I can only tell you what government policy is. Government policy has not changed since last time we met at estimates. The last changes we put in place were to increase the opportunity for the efficacy of the off-farm program, to make sure that we met the targets that we needed to deliver the plan in full. That remains government policy, and nothing has changed.

**Senator McALLISTER:** So no commitment to wind back any of the water-sharing plans, or alter them?

**Senator Ruston:** Not that I'm aware of.

**Senator McALLISTER:** No commitment provided to extend deadlines for any of the targets under the plan?

**Senator Ruston:** Not that I'm aware of.

**Senator McALLISTER:** No changes to any of the deadlines for the targets under the plan?

**Senator Ruston:** Not that I'm aware of.

**Senator McALLISTER:** Mr Pitt has, obviously, been promoted. He is a member of cabinet now.

**Senator Ruston:** That's correct.

**Senator McALLISTER:** In exchange for that promotion, has he given any commitments to Nationals colleagues in relation to the Murray-Darling Basin?

**Senator Ruston:** Not that I'm aware of.

**Senator McALLISTER:** Mr Pitt resigned from the ministry in August 2018 in protest against action on climate change. That's correct, isn't it?

**Senator Ruston:** Minister Pitt did resign from the ministry in, I think it was 2018.

**Senator McALLISTER:** When he put out a media statement, he said: 'I will always put the national interest and the interests of my constituents above my own. I will always put reducing power prices before Paris.' That's a pretty explicit reference, isn't it?

**Senator Ruston:** You are quoting from his statement.

**Senator McALLISTER:** If you Google 'Keith Pitt resigns', you'll see that his Wikipedia page says:

Described as 'one of the government's most outspoken advocates for nuclear power', Pitt quit as assistant minister in August 2018 to demonstrate his opposition to the government commitment to the Paris Agreement on emission reductions.

These are pretty definitive public statements from Mr Pitt about his approach to emissions reductions, aren't they?

**Senator Ruston:** Senator, as for all of us who are members of executive government, and particularly those of us who are in cabinet, we sign on to supporting government policy. In answer to a previous question I outlined what the government policy is in relation to the Murray-Darling Basin, and that is what Mr Pitt will also be signed up to, because he is a member of the coalition government's cabinet.

**Senator McALLISTER:** So Mr Pitt is into cabinet, and you can tell me that he's absolutely committed to net zero by 2050.

**Senator Ruston:** Mr Pitt is in cabinet. He is committed to the government policy on all matters.

**Senator McALLISTER:** So he's committed to implementing the Basin Plan in full and on time?

**Senator Ruston:** That's government policy.

**Senator McALLISTER:** Is he committed to delivering the equivalent of 2,750 gigalitres of water under the plan?

**Senator Ruston:** That's government policy.

**Senator McALLISTER:** Is he committed to the full delivery of the additional 450 gigalitres of water under the plan?

**Senator Ruston:** As is specified in the legislation, that is government policy.

**Senator McALLISTER:** It's just difficult to understand how government policy interacts with the Nationals party room at this point in time, Minister.

You and I, of course, were both in the Senate chamber when the amendments were introduced by National Party members of the Senate to scrap the 450-gigalitre target, to legislate for no more water purchases and to scrap the 2024 deadline. That obviously went through the Nationals party room, and the minister for water, Minister Pitt—

**Senator Ruston:** I don't think you can make that assumption. I obviously don't attend the Nationals party room, so I can't answer that question definitively, but I don't think that you can make the assumption that because a backbencher or backbenchers moved amendments that necessarily translates to the amendments having been approved through some sort of formalised process. In our party, our backbench, as long as they're not members of the executive, are entitled to their own opinions on all manner of things, so I think you should be careful you don't seek to put on the record something that—I can't confirm whether that went through the Nationals party room. But obviously I was in the chamber at the same time as you were when the amendments were moved, and unsuccessfully at that.

**Senator McALLISTER:** Those amendments would have substantially altered the volume of water that would have been delivered to natural assets in South Australia and to water users in South Australia, wouldn't they, Minister Ruston?

**Senator Ruston:** The amendments moved would have had a significant impact on the delivery of the plan, yes.

**Senator McALLISTER:** Mr Metcalfe, did Minister Pitt discuss this with the department, and in particular did he declare any conflict of interest in relation to any participation he had had in decision-making about the National Party legislative strategy?

**Mr Metcalfe:** Not to my knowledge, Senator.

**Senator McALLISTER:** Minister Ruston, did the minister warn Mr Morrison of the Nationals party room plan to scrap a key component of the Murray-Darling Basin Plan?

**Senator Ruston:** Once again, I draw attention to what you just said. You said 'the Nationals party room plan'. I think I previously said to you that I am unaware of whether this was a Nationals party room action or whether it was the action of a couple of backbenchers. If we want to be absolutely accurate, we need to refer to the amendments as having been moved by some backbenchers. To suggest that it is an official Nationals party room position is, I think, yet to be established. As far as I was aware, it wasn't. But I'm not in the National Party's party room, so obviously I can't speak for that.

**Senator O'NEILL:** How did they vote?

**Senator Ruston:** I've got no idea. I'm not in—

**Senator O'NEILL:** You were there—

**Senator Ruston:** Sorry—how did they vote? You know. You can look at the record as well as I can.



**Senator O'NEILL:** So can you, Minister Ruston. There's no point obfuscating. You've got a National Party rump who are telling you exactly what they think on the floor of the parliament, and you're trying to pretend that you're unclear about their position. They made it pretty clear.

**Senator Ruston:** Senator O'Neill, one of the things that I've always found in my estimates—and we did it all day yesterday—is that we're respectful and we don't yell at each other. I'm more than happy to have a conversation and put things on the record to the best of my knowledge, but starting the morning with this sort of attitude is probably not going to make for a very nice day.

**Senator O'NEILL:** The truth would be good.

**Senator Ruston:** Chair, could I seek for Senator O'Neill to withdraw that. The implications of that is that I'm telling her a lie.

**Senator O'NEILL:** It was not my intention to imply that. 'The truth would be good' is just a statement—

**Senator DAVEY:** Point of order, Madam Chair: the assertions that Senator O'Neill is making are also not relevant to the question. The question was about the Nationals party room, which the minister was answering to the best of her knowledge. What happened in the Senate chamber was a completely different scenario. If you want to ask a question about what happened in the Senate chamber, be more specific.

**CHAIR:** Alright. Are we finished with that particular distraction? Thank you. Senator McAllister, could I ask that you let me know how you're going with this block of questions so I can share the call and come back to you.

**Senator McALLISTER:** I have a few more questions that I would like to discuss with Minister Ruston. I'm interested that you don't believe that it went through the Nationals party room—

**Senator Ruston:** No, I didn't say that.

**Senator McALLISTER:** Well, that you don't have knowledge of it and that you don't have a view about it. It was publicly reported—

**Senator Ruston:** I didn't say that either. Let's be clear—

**Senator McALLISTER:** Okay. Why don't I ask the question directly, and you can answer it directly. Is it your understanding that the legislative strategy that was adopted by Senators McKenzie, Canavan, Davey, McDonald and McMahon went through the party room or not?

**Senator Ruston:** I am unaware.

**Senator McALLISTER:** Right. The *Guardian* reported:

The proposed changes passed the Nationals party room on Monday, but were sprung on the senior Coalition partner, the Liberals, as amendments to a related water bill were debated in the Senate.

Is there any reason to believe that that *Guardian* report is not true?

**Senator Ruston:** I don't take my truth test from the *Guardian*; I can assure you of that. As I say, I am unaware. I don't sit in the National Party's party room and I have never been officially advised through formal means that that was the case. I can't tell you something that I'm unaware of.

**Senator McALLISTER:** Alright. Members of the National Party were in the Senate—Mr Pitt's colleagues—moving amendments that would have had the effect of dramatically changing the Murray-Darling Basin Plan. Did the minister warn Mr Morrison or his other colleagues in the ministry that this strategy was about to unfold?

**Senator Ruston:** I am unaware of whether that occurred.

**Senator McALLISTER:** You don't know. My concern is: I'm trying to understand how Minister Pitt, who is responsible for the implementation of the plan, can remain the minister when it seems his party room voted to actively undermine the plan that he's supposed to administer.

**Senator Ruston:** You're making an assumption there. You're making an assumption that it was a matter for the party room and in the process of doing that you're making the assumption that Minister Pitt was aware. I can't answer that for you definitively. I can only tell you what I saw in the Senate, which was the same thing you saw in the Senate. But the government remains committed to the delivery of the Murray-Darling Basin Plan in full.

**Senator McALLISTER:** The *Guardian* is right in this regard, though: it was a surprise; nobody knew this was coming.

**Senator Ruston:** You can't say 'nobody knew'. I can't speak for everybody, so in the process of not speaking for everybody I can't say 'nobody'. I was unaware that the amendments were going to be moved until they became visible through the Senate processes.

**Senator McALLISTER:** I think the challenge for Australians is understanding what the position of the government is, because, to your credit, Minister, you come here, estimates after estimates, and tell me that the government is fully committed to implementing this plan. I accept that. However, the actions of so many of your colleagues in the media and in the chamber suggest that the government is not committed to, or at least that there is substantial resistance in the government committing to, the plan.

**Senator Ruston:** Senator, I am the minister representing the minister for water for the purposes of these estimates; therefore, in that sense, I am speaking with the authority of the executive of the government. I have categorically stated the government policy remains the delivery of the Murray-Darling Basin Plan in full, as is legislated, but that in no way suggests that it is not a difficult job for us all. Balancing the competing needs and making sure we've got a triple-bottom-line outcome for one of the most valuable resources of this country, which is the Murray-Darling Basin—the communities that live in it, the people who rely on it for their livelihoods, the environmental sustainability and the communities that are external to it but that still rely on it. It's the food bowl of Australia. We want to make sure we continue to feed Australia and that we continue to produce food that we export to the rest of the world, which makes us a strong country. I can absolutely categorically state that this government remains committed to the Murray-Darling Basin Plan and to its delivery in full.

**Senator McALLISTER:** Just not the National Party, which is the problem. Chair—

**Senator Ruston:** Can I just put—I'm happy to accept the factual actions that have occurred.

I don't want on the record, or at least I seek for it to be corrected on the record, that you cannot make a statement that extrapolates or interprets something well past what is obvious. There were amendments moved to the act in the Senate and then subsequently were attempted to be moved in the other place. That is a matter of fact. But there are other statements that have been made this morning that are not matters of fact. They are unsubstantiated. I cannot confirm them, so I seek for the record to reflect that that is the case.

**CHAIR:** Thank you, Minister. Senator McAllister.

**Senator McALLISTER:** The problem I have, Minister, is that there is so much material on the public record that supports the idea that the National Party are acting in a uniform way on this. I take you to another news report, posted on 24 June this year. National rural reporter at the ABC Cath Sullivan says

A statement from Water Minister Keith Pitt, a Nationals MP, explained the amendments to his own bill — meant to bring integrity to water matters — were proposed by his party room colleagues and were in fact "Nationals policy".

He went on to say:

But "I am member of Cabinet and I support the Government's position".

So this is the Nationals' policy. Mr Pitt says it's the Nationals' policy. We've now got Mr Joyce negotiating with, effectively, a ransom note to Mr Morrison about 2050. And you're trying to tell me that these attacks on the Murray-Darling are not National Party policy. They've confirmed on the public record that they are. Senators in this room have confirmed that they are. I just think bringing an air of reality to the conversation about what is going on with the government in relation to water would help.

**Senator Ruston:** You need to be very careful with your nomenclature here. I have never said it wasn't a matter for—

**Senator McALLISTER:** I see.

**Senator Ruston:** All I said was I was unaware.

**Senator McALLISTER:** Okay.

**Senator Ruston:** What I can do, because I am here representing the government and representing the minister for water, who is a member of this government, this coalition government, is confirm that government policy—that is, the coalition government policy—in relation to this remains as the legislation outlines. So if you are questioning—

**Senator HANSON-YOUNG:** For now.

**Senator Ruston:** There is no reason, absolutely no reason, why that is going to change.

**Senator HANSON-YOUNG:** So you can't confirm—

**CHAIR:** We'll come back to you shortly, Senator Hanson-Young. You'll get the call shortly. Can we just leave it. Senator McAllister, do you want to share the call?

**Senator McALLISTER:** I think we may need to come back to this, but, yes, let's move on for the moment.

**CHAIR:** Thank you.

**Senator PATRICK:** Minister, the last time around we talked about the 450 gigalitres, so I'm going to talk about that. Can I get an update from the department as to how much water was delivered in terms of the efficiency water to date.

**Ms Connell:** The water recovery targets are published on our website, including progress. Our website reports that two gigalitres of water entitlements have been returned to the Commonwealth Environmental Water Holder, and we've contracted approximately 16 gigalitres in terms of projects that will also contribute to the 450 target.

**Senator PATRICK:** That takes us to 18 gigalitres of the 450. We talked last time about some proposed measures. Can you give me an update on those proposed measures and what level of recovery you're expecting to get from what you're doing in the background.

**Ms O'Connell:** You'll be aware that the first statutory review of the WESA basically pointed out that there were issues with the design of the previous Water Efficiency Program. Minister Pitt announced in March this year that that program would be closed and that we'd shift to a program focusing on off-farm infrastructure.

The program design of the new Off-farm Efficiency Program was released in August this year. We undertook a process of working with the states on consulting on the design of that program and were also conscious of the recommendations of the ANAO report into strategic water purchases. We focused very strongly on making sure we learnt the lessons from the recommendations of that report in terms of the way the program was designed. We had the program framework reviewed by Noetic to make sure we were dealing with the issues that the ANAO had raised.

**Senator PATRICK:** Noetic? That's a company, I think.

**Ms Connell:** Noetic is a firm that focuses on program design and frameworks, governance and due diligence. In addition to that, we released draft guidelines for consultation in August this year for the grant component of the new program. The new program has three components. The main component is a state-led program that provides for states to make applications to the Commonwealth for funding for off-farm infrastructure projects. The second element is a grants stream, and the third element is a stream for on-farm projects. That program framework is now up and published on our website.

In addition to that, we've worked with the Basin Community Committee on making sure that engagement is appropriate and we're hearing from the community in the way that program is designed. We are currently working with states to encourage them to make applications under the new program. So it is demand-driven, but we're working with all the basin states in terms of them putting forward applications.

**Senator PATRICK:** But you haven't mentioned any targets that you're seeing in relation to this off-farm approach?

**Ms Connell:** It is demand driven, and the evidence I gave to the committee at the last hearing was that, on the basis of our assessment and discussions with states and irrigation network operators, we anticipate the uptake to be in the order of 70 to 100 gigalitres. But it is a demand-driven program, so we're working with states to encourage them to make applications.

**Senator PATRICK:** We've got a couple of years to go to get to the 450, and it doesn't sound like you are going to get beyond 100. You have no idea beyond 100. We're kind of at the same place we were last estimates. I go to the evidence. Minister, last estimates, you recall, I put it to you in similar circumstances that, if we're optimistic, we've got 100 gigalitres of the 450 with a couple of years to go. How can the public possibly believe you're going to get to 450?

**Senator Ruston:** As I said to you at the last estimates, now is not the time to give up. Now is the time to work harder. We made some changes which have just been discussed such as the change around the off-farm efficiency measures, which have already identified about 100 gigalitres of water that can be delivered by that means. But it just means, we've all got to work harder. I think the negativity that is surrounding this whole idea, I think, is entirely helpful. I remain committed and I have been working with my colleagues in the department of water to make sure that we absolutely exhaust every possible avenue to the able to get the 450 under the conditions that—

**Senator PATRICK:** Respectfully, Minister—

**Senator Ruston:** Excuse me; respectfully, let me finish—to make sure that we exhaust every opportunity under the legislation to deliver this plan in full.

**Senator HANSON-YOUNG:** Except buybacks!

**Senator DAVEY:** The 450 never included buybacks.

**Senator Ruston:** The legislation as it currently sits has a cap on buybacks. That is legislated.

**Senator HANSON-YOUNG:** From your government.

**Senator Ruston:** No, from the parliament. Legislation is actually a vehicle of the parliament.

**Senator HANSON-YOUNG:** You're not exhausting every option. Let's be frank.

**Senator Ruston:** Every option that exists within the legislation will be exhausted. I think we should all be working together. I'm not saying that we haven't had some unhelpful interactions from some of our state colleagues about their preparedness to actually play ball on this. I think that we do need to make sure that every state and territory who is also a party to this plan—it's not just the federal government, and the idea that the federal government is going to deliver this plan on its own is—probably we'd suggest that one needs to look at structure of the Murray-Darling Authority and the ministerial body that sits behind it. But we should all be absolutely focused on the delivery of this plan in full. We should be focused on every opportunity, working with the states and territories so that we can deliver every piece of water that we've promised to the environment and the communities. Coming in here and trying to attack me and the government, which are absolutely committed to every possible opportunity to deliver this plan in full—

**Senator PATRICK:** In nine years, two gigalitres—that's what's been achieved, Minister. And can I just say that I'm not being negative. This is not a question about being negative. It's a question about confidence, about whether or not we can be confident that we get to the 450. Now, anyone on any reasonable look would say that, after nine years, you've got two gigalitres. You've contracted 16 more. You've identified another 70. But, with two years to run, there's no substantive plan to get to the 450. Now, if I go back a couple of years, I see a document that says you can do it, and it's written by the man sitting to your left. When people are saying that there's no idea about where they can get the 450 from, here's a document that says it's achievable that was written by the secretary of the department.

**Senator Ruston:** You rest my case.

**Senator PATRICK:** Why are you not implementing this plan? Why haven't you put this plan on the table and said, 'Let's go with this?'

**Mr Metcalfe:** I should put on the record, of course, that that was not written by me in my current capacity.

**Senator PATRICK:** I understand.

**Mr Metcalfe:** It was in relation to a commissioned report that I undertook.

**Senator PATRICK:** I'm sure you stand by it.

**Mr Metcalfe:** Absolutely. It was correct at the time it was written. It indicated that there was a range of water that was possibly available across the various catchments. But, if you read it carefully, you see it also talks about the very issue that the minister is talking about: that ultimately a lot of this is about the will to do it. The fact is that it's a highly contested issue with many different views but ultimately requires people to want to do it to make it happen, and I think I make that clear in the report. The minister is outlining the fact that certainly the department is absolutely committed to working constructively, cooperatively and collaboratively with state governments, who are so critical in this equation, and with the communities and other people involved. We want to find the water. That report from a couple of years ago says, 'Here are some places that you can go,' and we are absolutely committed to continuing to work to deliver.

**Senator DAVEY:** Can I ask a clarifying question? I hope you don't mind, Senator Patrick. Mr Metcalfe, I've read that report too, and there are a lot of projects there that involve private corporations or private enterprises. When you're talking about it requiring the will to do it, are you talking about government will or are you also talking about the will of private enterprises?

**Mr Metcalfe:** I'm talking about a collective will. We all know that there are many different stakeholders: owners of water, people who have views about it, people with regulatory responsibilities, irrigation authorities and others. The strong sense I had, having spent several months travelling through the basin—this is some years ago, and a lot has happened since—was that people were confused and that there was a huge amount of consultation but often a sense that people weren't being listened to. There was a sense—this, of course, was when the drought was hitting very hard—that there were possibilities. Of course, the Commonwealth has provided a very large sum of money in order to encourage efficiency programs. That report was written on the basis of whether it is possible to recover that amount of water with a neutral or positive socioeconomic impact not only on dual farm enterprises but on communities more broadly. I had expert economists working with me in relation to that.

We formed the view that it was possible, and I think government policy since that time has been based on the fact that we continue to think it is possible. But it needs a lot of people to have the will, and there's obviously a huge

amount of money and resources and other things going into doing what the minister's outlined, which is continuing to find opportunities and continuing to try and get people to work together for the reasons that the report outlines.

**Senator PATRICK:** The situation we've got is that we've got two gigalitres out of 450. What you are saying, I take from the language, is there's a lack of will by participants. If I do the numbers on this, to get to 450 it's going to take 2,016 years.

**Mr Metcalfe:** I haven't said that there's a lack of will.

**Senator PATRICK:** Then why isn't this progressing? Why haven't you taken this plan and progressed it?

**Mr Metcalfe:** What we've indicated is that we are continuing to work with the states and the irrigation authorities and all of the other people in the system. Work is progressing. There remain significant financial incentives. And now is not the time to stop. Now, as the minister says, is the time to double down and keep going.

**Senator PATRICK:** Unfortunately, the minister's singing 'Kumbaya' while we've got two years to go to get to the 450. We're at two gigalitres.

**Senator O'NEILL:** There's a bit of discord in the choir, too!

**Senator PATRICK:** Yes.

**Senator Ruston:** Just to be clear for the record, for anybody who's listening or who might read the transcript of this interchange here, I think it would be worthwhile for the department to put on the record what actually has been achieved. Senator Patrick would have you believe, from what he's saying, that there have been two gigalitres of water recovered. There is a lot more water than that that's been recovered, so it may be worthwhile—

**Senator PATRICK:** I'm talking about the 450.

**Senator Ruston:** I know what you're talking about, Senator—

**Senator PATRICK:** I'll come to the SDL projects.

**Senator Ruston:** Senator—

**Senator PATRICK:** I'll come to Menindee. I'll come to what New South Wales is not doing right now.

**CHAIR:** Senator Patrick, just let the minister answer, please.

**Senator PATRICK:** But it's my line of questioning and I'm focusing on the 450 gigalitres. Just because you've got no plan to deliver that, don't try and push the conversation to other areas. We'll come to that. I'm talking about the 450.

**Senator Ruston:** Chair, I'm really finding Senator Patrick's tone and implications quite offensive. However, I'm not trying to push anything anywhere. All I'm trying to seek to do is to make sure that there is clarity. I know Senator Patrick knows full well what he's talking about and I also know what Senator Patrick's talking about. But, in the interests of making sure that anybody who's listening to that doesn't somehow think that the Murray-Darling Basin Plan implementation has achieved two gigalitres of water—

**Senator HANSON-YOUNG:** Point of order, Chair.

**CHAIR:** Yes, Senator Hanson-Young.

**Senator HANSON-YOUNG:** This is Senate estimates, where senators ask ministers and the department questions. It's not a platform for dorothy dixers—for the minister to ask the department to put information on the record. That is not the process here. I think she should be answering the question.

**CHAIR:** Thank you, Senator Hanson-Young. Minister—

**Senator Ruston:** There's no question before the chair. On the point of order, Chair—

**Senator HANSON-YOUNG:** I'm sorry, that's not the committee system works. As the minister on the other side of the table, you don't have a right to ask for a point of order. Please rule that out of order.

**CHAIR:** Senator Hanson-Young, thank you for your point of order. Minister, I would ask you to continue. I do think it is important that people who are listening do get the full picture. That is important because this is not just about what's happening in this room; it's what's happening and being broadcast around the country for all those people who are interested in this policy setting. So I think the minister is entitled to provide the full—

**Senator HANSON-YOUNG:** Does Senator Patrick have the call or does he not?

**CHAIR:** Did you ask me to answer your point of order, Senator?

**Senator HANSON-YOUNG:** Yes, I have, but I'm asking—

**CHAIR:** Thank you. So that's what I'm doing.

**Senator HANSON-YOUNG:** So you're taking Senator Patrick's questions time now, are you? Is that what's going on here?

**CHAIR:** Senator Hanson-Young, the day you become the chair, you can manage the time.

**Senator HANSON-YOUNG:** Well, I won't be running a protection racket for the National Party, that's for sure!

**CHAIR:** That's really unhelpful, Senator Hanson-Young, for the day and for what you were trying to achieve for answering questions. So you are now taking more time—

**Senator HANSON-YOUNG:** The minister wants to filibuster this time instead of answering questions, and as the chair—

**CHAIR:** Senator Hanson-Young, how about we wait till you have the call and then you can ask the questions—

**Senator HANSON-YOUNG:** And as the chair your job is to actually make sure senators get question times.

**CHAIR:** I'm trying to achieve that. If you would stop interjecting, we could do that. Minister, please finish, and we'll go back to Senator Patrick briefly.

**Senator Ruston:** I actually had finished what I had to say. I was just seeking that the record reflect the entirety of the position.

**Senator PATRICK:** Apart from hope, Minister—

**Senator HANSON-YOUNG:** Hope's not a strategy.

**Senator PATRICK:** what is your plan to get the extra 350 gigalitres? I'm being generous here. Let's say you've got a plan to achieve 100 gigalitres. What is your plan to get the extra 350? Hope can't be the answer.

**Senator Ruston:** The plan that we are referring to has identified, to date, 100 gigalitres of water. That plan, and obviously the work that I would expect the agencies to be undertaking at the moment and going forward, needs to make sure that they prosecute further opportunities that exist within the structure, or within the myriad structures, that sits before us in terms of water recovery. That would be my strongest expectation. If anybody sitting at this table doesn't agree with that, they probably should say right now that they don't. But the plans that we have—the Murray-Darling Basin Plan and all of its components—are all targeted on recovering the water under the various elements of the program. That remains the plan, and we will continue to work towards it. I would be very keen for the agency to back me in on this one, because that's their sole job going forward—to make sure that we achieve that plan.

**Senator PATRICK:** Can I ask, noting the absence of anything beyond the 350 gigalitres, that the department take this particular study and advise the committee which of these measures are not possible anymore? In the absence of any plan—I'm not suggesting you stop what it is that you're doing in respect of the off-farm measures. I'm trying to be helpful here. Rather than just hope—there is a document here written by someone who knows what he's talking about and is now the head of the department. We can run through this document and come back to the committee to say, 'Let's rule this out; let's rule this out; let's rule this in; and let's rule that in.' Would you be agreeable to that? Because there are some solid measures.

**Mr Metcalfe:** I'll take that on notice. That report was written some years ago. There have been subsequent reviews—

**Senator PATRICK:** It was 2018. It wasn't that that long ago.

**Mr Metcalfe:** It was about three years ago, wasn't it?

**Senator PATRICK:** Yes, 2018.

**Mr Metcalfe:** There had been a subsequent review of the Water for the Environment Special Account. That's a point in time in which we believe that a range of water—I think, from memory, between about 260 and 450 gigalitres—was achievable with a whole range of circumstances, caveats and that sort of thing. The intention of that report was to say, 'This is possible; keep going,' and that's exactly what the department has been doing over that time. There have been further studies since that time which continue to build on information about what is possible and what might not be.

But, ultimately, as I'm trying to say, this is about people wanting to achieve an outcome, so, frankly, the most important thing is the work that Ms O'Connell, Ms Connell and her colleagues do with the Basin Officials Committee and the work that the minister is doing with communities and providing budgetary support. The money is still there. The money is available, and a lot of work is being done to try and find that collaborative situation where people can find a pathway to achieve that additional environmental water.

**Senator PATRICK:** But do you see where I'm coming from?

**Mr Metcalfe:** I understand.

**Senator PATRICK:** There's some recovery that has been identified, and that's good. We have a void of 350 gegalitres. There may be some ideas that are in here that could get us further than where we are now, and I think we should look at them.

**Mr Metcalfe:** Absolutely. But what I'm saying is that that report is, of course, in the DNA of the department to a certain extent. It's something that's continually looked at and looked back at. My colleagues might be able to provide more detail.

**Senator PATRICK:** I'm not privy to those conversations, whereas I've got a reference point here, which you could then go through and say, 'We've actually talked about that.'

**Senator O'NEILL:** What's in and what's out.

**Senator PATRICK:** Yes.

**Mr Metcalfe:** I understand what you're saying. I have agreed to study it. But I think it is important in responding to your question to put more on the record as to what has been happening since that time. That's what we can do.

**Senator PATRICK:** I presume I don't have much time left.

**CHAIR:** You have no time left, so we'll just finish with this answer, and then we'll move—

**Ms O'Connell:** I was just going to add that there's \$1.33 billion available in terms of implementing these measures, and there's also a second review of the Water for the Environment Special Account underway now, which we'll report soon.

**Senator PATRICK:** I know you haven't spent the money. I just want the water recovery. I'm not accusing anyone of spending money outside of what it's been appropriated for.

**Mr Metcalfe:** But no-one has taken away the money. No-one's said, 'It's all too hard, let's spend the money on something else.' The money is there. The will is there from the department and the Commonwealth. We've all affirmed that—

**Senator PATRICK:** Just not the National Party room.

**Mr Metcalfe:** from the Commonwealth government. The money is there. The will is there. The plan is there. We have to work with the states. We have to work with irrigators. We have to work with others. That's something we'll continue to do.

**Senator PATRICK:** Maybe we'll have to look at my constitutional amendment—

**CHAIR:** Thank you, Senator Patrick, you're out of time.

**Senator PATRICK:** if that's what Prime Minister Howard wanted to do. I'll leave it with that comment.

**CHAIR:** Thank you for that statement. Senator McLaughlin.

**Senator McLACHLAN:** I have some questions that flow from a report, from the Australia Institute, entitled *Carry on up the 'Bidgee*. It's a submission on the Murrumbidgee Irrigation Automation Finalisation Project. It makes a series of assertions, which I would like your response to. One is that Murrumbidgee Irrigation has put forward a proposal that would recover 6,282 megalitres at a cost of \$124 million, which equates to around \$19,739 per megalitre of water returned to the environment, six times the average needed to achieve the 450 gegalitres, 10 times the likely cost of buying the water from willing sellers and three times more than the previous Murrumbidgee Irrigation projects. This would use eight per cent of the available funding to recover about 1.4 per cent of the water. I'm interested in your view on those assertions. Are they correct?

**Ms Connell:** I understand you're referring to a project proposal that the New South Wales government consulted on, during September and October, on behalf of Murrumbidgee Irrigation.

**Senator McLACHLAN:** Yes.

**Ms Connell:** The department is yet to receive an application seeking funding for the project that the New South Wales government consulted on. The Australia Institute report you refer to is the Australia Institute's submission to the New South Wales government process. We understand that New South Wales is taking account of all the submissions they received during that public consultation process, and we await the application. We expect to receive an application from New South Wales in the coming weeks and we expect it to address the issues raised in that report. I'm not in a position to comment further until we receive an application.

**Senator McLACHLAN:** Does the authority have a view on what the appropriate price is per megalitre of water or a range or length of time?

**Ms Connell:** It really depends on the circumstances. As you'd appreciate, prices for entitlements not only vary in terms of entitlement class but also vary in terms of region and demand. We've seen a significant drop in water entitlement prices over the last couple of years as inflows have increased significantly, and entitlements for most of the Southern Connected Basin are up at the 100 per cent mark for general security licences.

**Senator McLACHLAN:** With projects more generally, I notice that in the Goulburn-Murray Water project and the proposal for Murrumbidgee they're very large projects with a wide range of sub-projects. What's the approach taken? Is the assessment made with the viability of every sub-project or do you take it as a whole? I don't mean specifically on each one but as a matter of philosophy of approach. For example, you might have a dam in there. The dam might be good or bad, standing on its own, or is it seen as a collective interplay?

**Ms Connell:** We will assess applications for programs or projects on their merits and we will, as part of that assessment process, interrogate the costings that are presented to us, to look at whether they're value for money.

We will also interrogate the projected water recovery to ensure that there will be entitlements that can be returned to the Commonwealth Environmental Water Holder. That's a requirement of the act.

**Senator McLACHLAN:** So you would assess whether a subproject was inextricably linked to the delivery of water? There has been some commentary that you could have some projects which themselves alone would not be viable.

**Ms Connell:** The key issue is that the overall program of projects can deliver against the criteria for the program, which are set out on our website in the program guidelines, including that the projects can better prepare water delivery networks, irrigators and communities for the future and can provide economic stimulus to support regional communities. Of course, they need to achieve neutral or positive social economic outcomes, which is a requirement of the ministerial council test. They need to reduce water losses and enhance the environmental outcomes. We look at all of those factors in determining whether the project will provide value for money and meet those program objectives.

**Senator McLACHLAN:** Thank you for that answer. I want to take you to a different topic, which may require a change of personnel, on floodplain harvesting. I asked some questions about this at the last estimates. I would like to understand whether the view of the authority has changed and whether it's done any work with New South Wales and Queensland regarding measurement of the impacts of floodplain harvesting, particularly on southern states' waterflows.

**Mr Reynolds:** The New South Wales government are continuing to work through their policy settings around floodplain harvesting and modelling the impacts of that. They are yet to bring forward to the authority as part of the water resource plan accreditation process the arrangements for that. We continue to consult with New South Wales and support them in that work. The authority's previously said and continues to say that licensing of floodplain harvesting and bringing it into the accounting framework is an important component of managing water throughout the basin, and New South Wales continue to do that.

**Senator McLACHLAN:** The question from my colleague Senator Patrick, what's the time frame on resolution of the measurements and, thus, the transparency and understanding of the impacts of floodplain harvesting?

**Mr Reynolds:** That's work that the New South Wales government are undertaking and continue to work on. We're not aware of exactly when that work will be completed. You'd be aware of the New South Wales upper house inquiry that led to some challenges for the New South Wales government in that space. They continue to work through those issues.

**Senator McLACHLAN:** From an authority perspective, when do you need it to assist you with delivering the plan?

**Mr Reynolds:** Licensing of floodplain harvesting would be a positive outcome, bringing it into the measurement and regulation compliance arrangements. Water resource plans can be brought forward in the absence of that. There are estimates in the baseline for floodplain harvesting. As better information comes to hand, amendments to water-sharing plans and the regulation of floodplain harvesting can be given effect, and that may lead to a revision or an update and reaccreditation of a water resource plan at a subsequent time.

**Senator McLACHLAN:** Would you accept that it's becoming urgent, given the time left for the plan to be delivered?



**Mr Reynolds:** The New South Wales government have significant work to do in that space. Water resource plans can be brought forward and assessed with the arrangements that currently exist. There is some uncertainty created, of course, with the work that's being undertaken on floodplain harvesting currently. Until that is resolved, that uncertainty will continue. But, as I say, when that floodplain harvesting policy is settled in New South Wales, it can be brought forward and a water resource plan can be resubmitted and reassessed for accreditation.

**Senator McLACHLAN:** If it's delayed, and it's delayed for a year, what will be the consequences for the authority's ability to make decisions and judgements in relation to the river and the plan for the basin?

**Mr Reynolds:** Water resource plans, as I say, can be brought forward and assessed and potentially accredited in the absence of that floodplain harvesting material being settled. There are estimates in the existing material for floodplain harvesting. The compliance requirement to comply with SDL, or the sustainable diversion limit, is not apportioned amongst different forms of take. It's at a water resource level. There are estimates for floodplain harvesting and other forms of take already available, and that would be the basis of water resource plans going forward until this policy matter is settled within New South Wales.

**Senator McLACHLAN:** If I understood what you just said, the authority is making its best endeavours to measure the impacts in any event? Have I understood you correctly? That's in the absence of the New South Wales government coming to you with what they've done?

**Mr Reynolds:** The New South Wales government does the on-ground measurement of water use in the states and brings forward that information. That forms part of the assessment that the authority undertakes on an annual basis of the annual permitted take and, in comparison to that, the actual take. So we can continue to work with that information.

**Senator McLACHLAN:** So you have the ability, at least, to form a view as an authority on the impacts?

**Mr Reynolds:** That is right.

**Senator McLACHLAN:** Have you formed a view that's public in relation to the impacts of water harvesting?

**Mr Reynolds:** We've recently published our assessment for the 2019-20 water year of take in the northern basin, which found that, in most water resources, SDLs had been complied with. That includes an assessment of floodplain harvesting, amongst all other forms of take.

**Senator McLACHLAN:** And do you have any projections, if floodplain harvesting were to increase?

**Mr Reynolds:** Our understanding from the work that's been done by the New South Wales government to date is that floodplain harvesting activities have increased over time, and, for compliance with the SDLs in a number of water resources, the forms of take will need to be wound back, and most likely that will be in forms of floodplain harvesting, but that is work that's still to be finalised by the New South Wales government.

**Senator McLACHLAN:** So they're going to have to make an assessment of potentially winding back water entitlements or in forms of water entitlements? Is that what you said to me?

**Mr Reynolds:** The mechanism by which the New South Wales government adjusts their forms of take to be compliant with the SDL is a matter for the New South Wales government. The suggestions to date have been that it's likely that some winding back of existing floodplain harvesting will be part of that.

**Senator McLACHLAN:** Chair, I'll leave it there for the moment.

**CHAIR:** Thank you, Senator. Senator McAllister, do you seek the call?

**Senator McALLISTER:** Senator Grogan is seeking the call.

**CHAIR:** Senator Grogan.

**Senator O'NEILL:** Could I just ask a question before Senator Grogan does? Do you have a number based on your conversations with the New South Wales department of water about how much you believe is being taken in floodplain harvesting?

**Mr Reynolds:** Yes, I do have a number. I'll just check it. I believe it's in the order of 240 gigalitres on average.

**Senator O'NEILL:** Is that based on metered or unmetered? Is it confidently assessed or estimated? How solid is that number? Isn't that part of the problem?

**Mr Reynolds:** Part of the work that the New South Wales government continues to work on, as to how to monitor and measure floodplain harvesting. There is an element of modelling that underpins that estimate, and they're certainly working through the mechanisms by which they can monitor and measure that into the future.

**Senator O'NEILL:** That's floodplain harvesting in the northern basin of New South Wales—your best estimate of the take for the year 2020-21?

**Mr Reynolds:** It's 2019-20. I think that number would be a long-term average estimate. I'd have to get the number for 2019-20.

**Senator O'NEILL:** Thank you very much; that's very helpful. Thank you, Senator Grogan.

**Senator GROGAN:** I would like to put questions to the Commonwealth Environmental Water Holder. There's been some conversation in the room this morning about the amendments that were put to the Senate in June this year. I would like to explore some of the commentary and the questioning of the science both by Minister Pitt and also by Minister McKenzie. The amendments sought to scrap the 450, they sought to legislate no more buybacks and they sought to scrap the 2024 deadline on the basis that they were consistent with the latest science. That's not my interpretation. Could you take us through whether that is accurate? Is that the latest science that we're not all aware of?

**Mr Taylor:** With regard to the calculations and the science around what the appropriate level of recovery should be across the Basin Plan, that's not a matter that the Commonwealth Environmental Water Holder really gets deeply involved in. Our role is independent of that. It's in the management of the resource that has been recovered, so we're far more focused on the delivery of the water that's been recovered under the Basin Plan rather than being really deeply involved in the policy issues around the absolute amount of water to be recovered.

**Senator GROGAN:** Can I put the same question to Mr Metcalfe and maybe the Murray-Darling Basin Authority?

**Ms O'Connell:** There's a lot of water science out there publicly. We didn't provide advice necessarily on that science in relation to those amendments. We didn't provide any advice in relation to those amendments that were put forward.

**Senator GROGAN:** But is there any justification? Is there a body of science that would support those amendments?

**Ms O'Connell:** I think I'd have to ask specifically the person who made those quotes about which science they're referring to.

**Senator GROGAN:** So you don't have any perspective on what the science would say about those things?

**Mr Metcalfe:** No, Senator—and nice to meet you, by the way. Our focus is delivering on the plan. We haven't been asked for different options or to investigate different science or whatever. Certainly, the Commonwealth Environmental Water Holder and the work that's been done across the last 10 years in implementing the plan probably means that there's better science than there has been in the past and a better understanding of what environmental flows can do. But, from the department's point of view, we note that there are a lot of scientists with a lot of interests and different perspectives, but our focus is actually working with the states and working with other key stakeholders on delivering the plan.

**Senator GROGAN:** Specifically—and I can't see how you can operate and make decisions without understanding this part—there is this quote: 'The science no longer supports SA needing fresh water.' That was a quote from the speaking notes that were circulated—I believe, accidentally—with the amendments back in June from the Nationals deputy whip, Damian Drum: 'The science no longer supports SA needing fresh water.'

**Mr Metcalfe:** I think you need to ask Mr Drum about that. The department was not involved in any of those issues, nor is it appropriate for us to comment on those issues.

**Senator GROGAN:** But, in terms of commenting on the science that SA doesn't need fresh water, surely that's—

**Mr Metcalfe:** We're committed to implementing the plan.

**Senator O'NEILL:** Which means what for South Australia?

**Senator Ruston:** Senator Grogan, there are a lot of South Australian senators sitting in this room. I can say that I have never seen any science that would suggest that South Australia doesn't need fresh water, and I would imagine nobody else in this room has seen science to that effect, either.

**Senator GROGAN:** I certainly haven't. The other point that was made in those speaking notes—and, again, there are a lot of people in South Australia who are very concerned about this and very stressed about this being part of the conversation by the current Liberal-National government—is that rising sea levels will mean that the SA Lower Lakes system will not need environmental water.

**Senator Ruston:** Senator, to be absolutely clear—

**Senator HANSON-YOUNG:** But we're getting to net zero, so it won't be a problem.

**CHAIR:** Please wait, Senator Hanson-Young.

**Senator Ruston:** Senator Grogan, I want to absolutely reassure you that the government remains committed to the published and peer reviewed science that underpins the plan. I have no idea where the science that is referred to in your comments has come from.

**Senator GROGAN:** I appreciate the awkwardness of some of the questioning this morning which goes to the relationship between the Liberal and the National parties which make up the coalition that is the current government of this country, but, for those people who rely on the river, this is a major concern. The public record is littered with commentary about this. We know there's good science, bad science, contested science et cetera, but this stuff is directly sourced from National Party members, some of whom are in the cabinet making the decisions that govern this country. And it's particularly concerning that we have no sense of how far this is going to go. There have been outbreaks from the Nationals in terms of not wanting the plan to go ahead and not wanting the recovery of water. We rightly and understandably have deep concerns about what is going to happen in the future when we have a significant body of our government in this country—the Liberal and National government—who do not believe in the plan and who are trying to undermine the plan. It is a plan that is already struggling to achieve its aims—the 450 particularly. We know we have a plan for 100; we do not have a plan for the other 350. You've got to understand there are a lot of concerns here. What assurances can we have that this isn't going to go horribly, horribly wrong?

**Senator Ruston:** Senator, your comments, I think, probably go to the reflection of the great complexity of the delivery of this plan. You referred to the communities and the people that rely on the river. There is nobody, I think, that understands better the need for a healthy river system than the farmers that rely on it, because, at the end of the day, a river system that's not healthy means that their livelihoods are no longer viable. So I think your point around all of the different people who are invested in this extraordinary resource for Australia is absolutely right. But that also adds to the extraordinary complexity of how we deliver those three outcomes that we're seeking to do. Obviously, we need a healthy river system, and I don't think there's anybody in Australia who doesn't agree that the ongoing health of a resource like the Murray-Darling Basin is of absolute paramount importance. I ask them to stand up right now and say that they disagree with that statement, if they do.

At the same time, we also have the economic impact that it's likely to have on communities, on farmers and on the country as well as the social impact that it can have if you go about doing it in a way that is, ultimately, damaging. That's the fine line that governments have to walk in the delivery. In the case of some of the comments that we've seen from colleagues, obviously many of them are representing the views of the people that live in the communities that they represent, and I respect the fact that they bring forward the views of their communities. I live in one. I live in a community that is at the bottom end of a river system, so we rely very heavily on the amount of water that comes across the border. But, equally, my community doesn't want any more water grabbed and ripped out of it. We saw the devastating impact of the Swiss cheese when we had these buybacks and all of a sudden you had an irrigation district like mine in Renmark where we had half the number of irrigators that were drawing off the system, which meant that every irrigator paid twice as much for the infrastructure maintenance and the like. It has very specific, detailed on-the-ground impacts in these communities, so it's incumbent on policy development by government that we take all of these things into consideration.

**Senator GROGAN:** I totally appreciate that—

**Senator Ruston:** I was just about to come to a conclusion on what I was saying.

I'm very passionate about this, as I said; I live in one of these communities. What we do have to do is we have to use every single tool that is available to us to proceed to the delivery. But we can't hide from the fact that there are people who have views that may differ from one community to the next community, whether you live in the city or whether you live somewhere that's not even in the basin. People do have different views about how we go about this; it's about managing those different views to still achieve that outcome. I defy anybody to stand up and tell me that they do not support a healthy river environment. I don't think there's anyone who will say that. We just have to work together to see if we can get there in the best possible way so that we don't damage our communities, we don't damage our regional economies and we don't damage our Australian economy, but we still deliver that environmental outcome that I know every single person in this room wants.

**Senator GROGAN:** The challenge we face, though, is that there are a growing number of people in your cabinet, the cabinet of the Liberal-National government—with Deputy Prime Minister Joyce, currently Acting Prime Minister, from the National Party, and a growing number of National Party ministers in the cabinet—who

do not have the best interests of the river in terms of total impact. Their stronger sense is just myopically looking at one aspect as opposed to the totality. So the concern—

**Senator DAVEY:** A point of order, Chair. I think Senator Grogan, with all due respect, is making wild assumptions about the opinions of ministers.

**Senator GROGAN:** Would you like me to table some documentation to show you what they've actually said in the public arena?

**CHAIR:** Senator Grogan, perhaps—

**Senator DAVEY:** I've seen a lot of what they've said in the—

**CHAIR:** Please, we don't need cross-discussion. Senator Davey, thank you. Senator Grogan, if you could try and keep your questions to the purpose of estimates, which is the examination of the costs of the department. Would you like to continue, please.

**Senator McALLISTER:** Point of order, Chair.

**CHAIR:** Terrific. Yes, Senator McAllister?

**Senator McALLISTER:** I ask you to reflect on your statement about the purpose of estimates. There have been numerous statements put on the record by various presiding officers and by resolutions of the Senate about the purpose of estimates. They are broad-ranging and allow questions in relation to all aspects of departmental activity related to expenditure. It is a very broad mandate, indeed.

**CHAIR:** I quite agree with you. It is broad and it is the departmental activities and the policy settings of the government. I do not wish to limit the discussion at all, but I am conscious of the amount of time that we have available. Please continue, Senator Grogan, because I'm trying to manage time for other senators to have the call as well.

**Senator O'NEILL:** Senator Grogan was right at the heart of the issue: the myopic views.

**Senator GROGAN:** Given that whatever decisions are made about the Murray-Darling Basin go directly to the costs in the budget of delivering water to the river and making sure that the community is kept safe and we can deliver all of the things: the environment, the food bowl and all of the fantastic aspects of the river; we need to understand where those decisions are being made.

Minister Ruston, my question is with regard to the commentary from Bridget McKenzie, for example. Have you taken the opportunity to talk to her about the Basin Plan, your expectations and how it's going forward? Have you sought any assurances from her about her commitment to it?

**Senator Ruston:** Certainly. I've had many conversations with many of my colleagues over a lot of years. I came into this place with one of my keenest interests being the Murray-Darling Basin and the plan.

It goes back to the fundamental point that, when you are a backbencher in the coalition, you are entirely entitled to prosecute any issue. We don't bind our party members, and neither do the National Party, to government policy. They can cross the floor if they choose to. When you're in cabinet or when you're in executive government, we expect our members of parliament to be bound by government policy. It is the executive of the government, the coalition government, that determines policy and we all have to abide by that policy. I can assure you that is the case. If we do not abide by policy, it is expected that we leave the executive position.

**Senator GROGAN:** So we can expect to not see any further commentary like this from Ministers McKenzie or Pitt?

**Senator Ruston:** I would expect that all ministers, no matter which party they come from, would only espouse government policy.

**Senator GROGAN:** Thank you.

**Senator DAVEY:** I would appreciate if Senator Grogan could table comments from Minister Pitt specifically against the Basin Plan, because I don't think I've ever actually heard Minister Pitt say anything but, 'Basin Plan in full and on time'. If you've got something to the contrary I'd love to see it.

**Senator GROGAN:** It's there. Certainly.

**CHAIR:** Terrific. Thanks you. Senator Roberts.

**Senator ROBERTS:** Thank you, Chair, and thank you for appearing today. This is the fifth Senate estimates where I've raised the criminal damage—and I say that word deliberately, because if a farmer did what the Murray-Darling Basin Authority is doing to the Murray River they'd be locked up—to the river through the natural constraints such as the Barmah Choke that has been occurring since the Murray-Darling Basin Authority took

over management of the connected basin. Sand slugs have come and gone but the damage continues to get worse. Here are fresh pictures of the damage that I will table, Chair. It's the best way to convey what's going on. We can see houses now getting threatened by the river cutting the banks back almost to the edges of houses, as well as taking over land and destroying the banks. These pictures came from the Koondrook and Barham Bridge newspaper. My question to the Commonwealth Environmental Water Holder is: do you have a plan to halt and repair the degradation of the riparian environment, the gouging out of the banks on the Murray, through the Barmah Choke and Edward River, amongst other locations? Where is your plan to fix this damage?

**Mr Taylor:** As you're aware, the water that passes down through the river is made up of all sorts of water uses. There is a combination of town, critical human water supplies, environmental water. There's all sorts of water goes through that system. Irrigation patterns have changed over decades as well. I think it's a very complex issue, the management of the banks—

**Senator ROBERTS:** I certainly agree with you.

**Mr Taylor:** One of the things that the Commonwealth Environmental Water Holder is actively engaged in is looking at the ways we manage our component of that water. We're not responsible for all the water, but we have very active plans for the water that we manage in those systems. Some of the things that we do to help mitigate and reverse some of the impacts of bank damage involve variability of flows, so we reduce the notching of banks. We put water down at counter cyclical times from other periods of high demand to increase that variability. We put flows down at times of year that carry seed and allow and promote the regeneration of vegetation on bank sites. We've got monitoring going on demonstrating this in areas where we're able to manage our component of the water. Sometimes while we're mitigating some of these impacts in some places other larger amounts of water that go down the river at different times of the year can reverse some of those things. It's a very complex thing and I don't think one agency can resolve the issue alone. We very actively manage our component of the resource to try and mitigate and enhance the repair of those.

**Senator ROBERTS:** Where's your plan for doing this?

**Mr Taylor:** We have published our annual watering plans on the web every year. If you read those plans bank vegetation and repairing vegetation is one of the categories of activities that're outlined in detail. Those plans—

**Senator ROBERTS:** Does that include the healthy rivers planning document 2021-22?

**Mr Taylor:** That's one of the documents that's involved.

**Senator ROBERTS:** Where in the plan is the environmental repair of the banks of the Murray River?

**Mr Taylor:** That's a one-page summary of a very—

**Senator ROBERTS:** Not mentioned.

**Mr Taylor:** big document. Riparian vegetation is the form of the information that covers that.

**Ms O'Connell:** Senator, if it's helpful we might get that information in a printed form and table it for you, because you're referring to one part of the document and Mr Hilton is another part—

**Senator ROBERTS:** As I understand it this is a summary. That would be helpful if you could do that.

**Mr Taylor:** That's correct that's summary.

**Senator ROBERTS:** On the summary, there's no mention of it. I believe the Murray-Darling Basin Authority and the Commonwealth Environmental Water Holder are culpable for this.

As I understand it—and correct me if I'm wrong—the Murray goes through cycles every year: dry, wet, dry, wet, dry, wet. When the banks get dry, they become stronger and more resistant to the brief periods of flooding. But when the river is full, and overfull, for so long—because you're shoving water down to the Lower Murray—this is what happens.

**Mr Taylor:** I think one of the important points in there comes back to my opening comment around the amount of water that is moved through the system and the amount of water that the Commonwealth Environmental Water Holder can influence in that system. I think we hold something like 15 per cent of the water that's in that system. All the other water is for delivery purposes, conveyance or meeting South Australia's requirements. There's a whole range of water. We have direct control over a relatively small proportion of that. It's that proportion of that water where we work very hard to ensure that we enhance the environmental conditions in the river.

**Senator ROBERTS:** Okay. Let's move on from that, because I acknowledged just how complex it is and how much variability there is in this plan to Mr Keelty some time ago. We had a good chat in one of these sessions. How much water is in the Menindee Lakes right now?

**Mr Taylor:** My understanding is that they're around 100 per cent or slightly above—approximately 2,000 gegalitres.

**Senator ROBERTS:** Yes, that's close—1,935 gegalitres. That is comparable with the Lower Lakes, which yesterday held 1,934 gegalitres. Is that correct?

**Mr Taylor:** I'm not sure of the exact number but yes, in that order of magnitude.

**Senator ROBERTS:** It's pretty close to full.

**Mr Taylor:** I notice that the document mentions the Lower Lakes and the Coorong. However, the document for the northern basin fails to mention the Menindee Lakes at all; they're not even drawn on here. The Menindee Lakes have disappeared—gone. Why is that?

**Mr Taylor:** The Menindee Lakes are managed as part of the Southern Connected Basin, and in the planning component of it the whole Lower Darling and Menindee Lakes is part of the Southern Connected Basin.

**Senator ROBERTS:** Wouldn't it be wise, though, to mention a body of water that is as big as or maybe even slightly bigger than the Lake Alexandrina complex—the Kakadu of the south, it's called—a huge natural depression that's been home to amazing amounts of wetland and wildlife for thousands of years? We don't even show it on the map.

**Mr Taylor:** You're probably aware of how important the Menindee Lakes system is to the Commonwealth Environmental Water Holder. In fact, as we speak, we're working in conjunction with other water managers and with the community in that region—both the Menindee community and the downstream community—and we're actually getting flows down the Barker, the Lower Darling and the Great Darling Anabranch. Some of the environmental outcomes that we're achieving there are outstanding. The Murray cod population in the Lower Darling is recovering. We're seeing golden perch that have come out of the headwaters of the Barwon-Darling. Some of that water that came down was protected environmental water, delivering fish larvae into the Menindee Lakes. They're growing into beautiful young golden perch. That's a magnificent nursery for these perch.

**Senator ROBERTS:** So, Menindee Lakes is a vital component of the Murray-Darling Basin Plan?

**Mr Taylor:** It's a vital component of our environmental management of the system.

**Senator ROBERTS:** And it'll stay there.

**Mr Taylor:** And we're actually getting those golden perch out of that system, connected through the Great Darling Anabranch, down into the Murray and distributing those fish. They become callop, as they're called in South Australia, and they travel thousands of kilometres over their life. So, this is a critical part of what we're doing.

**Senator ROBERTS:** This may be a question to you, or more likely to the Murray-Darling Basin operator. Your Southern Basin Plan talks about connecting the river with the Barmah, which explains the surveyors that have been tromping through the forest and which I asked about at a Senate estimates session some time ago, and it was denied. Are you going to use the Barmah Forest to divert extra water around the Barmah Choke so that the Murray-Darling Basin Authority can keep distributing water away from agriculture and the Upper Murray?

**Mr Taylor:** That's certainly nothing to do with the—

**Senator ROBERTS:** Maybe Mr Reynolds.

**Ms O'Connell:** Yes, we can ask the Murray-Darling Basin Authority acting CEO to return to address that.

**Senator PATRICK:** Where's Mr Glyde?

**Ms O'Connell:** He's on leave at the moment.

**Mr Reynolds:** So, Senator Roberts, your question was about diverting water through the Barmah Forest?

**Senator ROBERTS:** Yes, the surveyors lining up the channels, which we understand—work previously denied by your organisation, any knowledge of what these surveyors were doing there. It now looks like that's going to happen. So, are you going to use the Barmah Forest to divert extra water around the choke so that the Murray-Darling Basin Authority can keep redistributing water away from agriculture and the Upper Murray?

**Mr Reynolds:** That's not the case at all. We are looking at how we manage water through the river system and through the Barmah Choke. As you've pointed out, we're finding that we're having a large amount of sand depositing in the choke that is reducing the capacity of that section of the river. That means getting the same volume of water through there as we have historically is more challenging. Part of what we're looking at is how we might more effectively manage water through that system. That could be through managing the sand that is depositing in the choke to either prevent it accumulating, potentially removing some of it—although that's very early stages of examining that—or looking at whether there are other flow paths that we could use to deliver

water to downstream. Fundamentally though, that study and that work we are doing is premised on the existing trade restriction across the choke staying in place. That trade restriction means there is no net trade of water from upstream to downstream of the choke. So all we are seeking to do is to meet the entitlements that have always been held downstream of the choke. Water that is held upstream of the choke will still be held and used upstream of the choke and cannot trade to downstream users, unless there is an equivalent trade upstream first.

**Senator ROBERTS:** What is the target flow to sea in the Murray-Darling Basin Plan? What specifically is it?

**Mr Reynolds:** I might have to take that on notice to get the specific numbers. I'll be able to get them.

**Senator ROBERTS:** I'd like to know not only the number, please, Mr Reynolds, but how it's calculated—the process that you use to calculate that number?

**Mr Reynolds:** It is defined in the plan. The exact numbers I don't have, but I'll get them before the end of this session for sure. But there are plans for flows in consecutive years as well as over a longer period for continuous flow.

**Senator ROBERTS:** What environmental purpose does that flow to sea provide?

**Mr Reynolds:** A connection from the Lower Lakes and the Coorong to the sea is really important for a number of reasons. Partly, it flushes salt and nutrients from the system. A natural river system has nutrients and salt—and there's plenty of salient ground water in the Murray-Darling Basin which comes into the system—so flushing that through the system to sea is important. It helps to keep the mouth open for that purpose but also there are a number of fish species that migrate between the sea and into the freshwater system and into the river. So those flows are important for a whole range of factors, including all of those things.

**Senator ROBERTS:** In the past, before the Europeans arrived here, that mouth opened and closed, opened and closed naturally?

**Mr Reynolds:** That certainly may have been the case in very severe drought. But, prior to river regulation, the flows to the end of the system were much greater than they are today—as a result of upstream extraction that goes to support a whole range of really important economic activity and other things. So intersystem flows would be much greater naturally, and that typically would have kept the mouth open in most circumstances except in the most severe of droughts.

**Senator PATRICK:** It's 13,000 gigalitres in total of extraction, isn't it?

**Mr Reynolds:** It was prior to the Basin Plan, and, with the recovery, it comes back to 10½ thousand on average.

**Senator PATRICK:** You would have an extra 13,000 gigalitres flowing out through the mouth.

**Senator ROBERTS:** So moving to the southeast of South Australia, Mr Reynolds, I noted your comments from estimates on 28 May that the water from the southeast drains restoration project was free water for the Murray-Darling Basin Plan. What's the surface flow into the lakes from the southeast in the last 12 months?

**Mr Reynolds:** I'd have to take that question on notice to get the specific number.

**Senator ROBERTS:** It's critical to the ecology of the Coorong, isn't it?

**Mr Reynolds:** Certainly some water coming into the southern lagoon is beneficial to the ecology of the Coorong; yes.

**Senator ROBERTS:** I understand that there are several different unconfined aquifers that flow into the Lower Lakes and the Coorong. What is the inflow in the last 12 months?

**Mr Reynolds:** When you say the 'in flow'—

**Senator ROBERTS:** The flow from the southeast area into the lower Coorong?

**Mr Reynolds:** I think that's the same number you asked for previously.

**Senator ROBERTS:** I think you should be aware of what is flowing on the surface and what is flowing underground from the aquifers.

**Mr Reynolds:** The ability to measure underground flow would be very difficult, from a water balance perspective—evaporation, surface flows, rainfall—to actually measure—

**Senator ROBERTS:** But surely you should be measuring the inflow from the surface, the diverted flows and also the aquifer flows? Ultimately you should be aware of those.

**Mr Reynolds:** I don't think you can measure the aquifer flows as such. You would have to model those to get an estimate of that.

**Senator ROBERTS:** Okay. You can estimate them. But the other two—the diverted water and the surface flows—should be measured.

**Mr Reynolds:** They'll be part of South Australia's management of their take and that information would be available.

**Senator ROBERTS:** But you'd be able to get that? You should have it, shouldn't you?

**Mr Reynolds:** Not at the table with me.

**Senator ROBERTS:** No, I'm reasonable! But, as part of managing the whole of the basin, you should be able to get that to—

**Mr Reynolds:** As part of the compliance activities of estimating the annual permitted take and assessing compliance with that, that sort of information is generated and we would be able to source it, yes.

**Senator ROBERTS:** Why is this water not included in basin inflows?

**Mr Reynolds:** The water from the south-east drains has been put forward by the South Australian government as an SDL adjustment mechanism project. So the water that comes from the south-east drains into the southern lagoon will be accounted for through that process.

**Senator ROBERTS:** Is it part of the basin, though?

**Mr Reynolds:** As the basin is defined under the Basin Plan, that south-east area is not formally part of the basin.

**Senator ROBERTS:** We discussed this in previous estimates. It should be because that's the natural flow of the water. That water's going to sea and being wasted and yet it should be part of the basin inflows.

**Mr Reynolds:** Naturally that part of the world was a very wet, boggy, marshy area where water accumulated. Some flowed to sea through groundwater channels. Some of it would have percolated in very wet conditions into the southern lagoon. But the drainage system that's been constructed that drains it to sea has changed that profile. The south-east drains project does redirect some of that water back to the southern lagoon.

**Senator ROBERTS:** That's what you said in May. But that's a significant body of water for the Coorong and Lake Albert.

**Mr Reynolds:** Once again from memory, I think the average annual contribution is something like 26 gigalitres from the south-east drains project into the southern lagoon.

**Senator ROBERTS:** But the natural flows before the drains were built were considerably larger than that?

**Mr Reynolds:** I'd have to take that number on notice.

**Senator ROBERTS:** Yes, please. I want to go to fish herpes. Whose idea was it to give 60 million carp in the Lower Lakes herpes? Who's responsible?

**Ms O'Connell:** That's a proposal that's being researched and investigated in relation to control and management of carp.

**Senator ROBERTS:** But with 300,000 tonnes of rotting fish the smell wouldn't make it to Queensland, possibly, but it would be pretty miserable down there. That would be a lot of blackwater. It does feel like this is an exercise in bureaucratic hubris that defies the law of unintended consequences. Is there any other way?

**Mr Reynolds:** I think it shouldn't be characterised as a definite planned proposal. There's research being done about the effectiveness of it, how it could be managed and how to control events like you've outlined.

**Senator ROBERTS:** Could a carp Armageddon, with the right tide and wind, spread blackwater up past Adelaide's water supply intake?

**Mr Reynolds:** It all depends. There's research, as I said, being done. There's also got to be proposals around how to manage it so that there aren't adverse consequences. It's managed elsewhere within the department in terms of the current proposals, plans and research. We could give you an update. If we talk to our colleagues during the break, we could probably give you a bit of an update about where the initiative and proposal is up to.

**Senator ROBERTS:** I have a meeting with the minister outside of this topic at 11 am, so maybe we could do it later in the day.

**Mr Reynolds:** Okay. We're happy to do that.

**Senator ROBERTS:** Lock Zero will protect Adelaide's water supply against saltwater intrusion in the next serious drought plus anything that humans can dream up, and humans have dreamt up a lot of damage in this area. Why is Lock Zero not proceeding?



**Mr Reynolds:** Lock Zero was examined in some detail as part of a response during the millennium drought, when the Lower Lakes were in a crisis. There are a number of engineering challenges with Lock Zero—potentially not insurmountable but it's certainly very difficult. Fundamentally, when that proposal was looked at it was understood that there's still the need for a passing flow at Lock Zero, for exactly the same reasons I spoke about before: exporting salt and nutrients, and maintaining connectivity to the ocean. So building Lock Zero doesn't actually save any water because we still need a flow to pass that point which we currently have. It hasn't been progressed as a result of that.

**Senator ROBERTS:** I get that, but it does protect Adelaide's water supply.

**Mr Reynolds:** But if you have that flow passing and the management arrangements in place that we have currently Adelaide's water supply is protected under the current arrangements, so it would be an investment that wouldn't generate a benefit.

**Senator ROBERTS:** That would depend on how serious the drought was.

**Mr Reynolds:** Yes, although we now have a substantial amount of environmental water that works its way through the system. We would expect to have a portion of that, even in the next drought. Potentially, that means our management arrangements and the tools we have now are increased on what we had in the millennium drought and—

**Senator ROBERTS:** Not if your [inaudible] farm is being looked after. Thank you, Chair.

**CHAIR:** Just for the interests of those people watching, I'm trying to share the call around as people express their interest and timings for other committees. I'll now turn back to Senator McAllister.

**Senator McALLISTER:** Thanks, Chair. This should be quick; then I hope to pass to Senator Grogan. Mr Metcalfe, there has been much discussion about the modelling that was undertaken by the Department of Industry, Science, Energy and Resources in relation to the net zero target. What involvement did your department have with that modelling exercise?

**Mr Metcalfe:** I'll check this over the break and let you know if there's any more detail, but it's my understanding that a small number of staff from ABARES were involved with contributing to some of the work associated with that modelling.

**Senator McALLISTER:** That is consistent with other public advice that's been provided. I understand that it was not climate modelling, it was economic modelling, but did it seek to engage any of the stakeholders in the water portfolio or the interests of those stakeholders? Were you consulted on impacts of irrigated agriculture, for example?

**Mr Metcalfe:** It's probably best if I check on that, so I can be absolutely accurate. If you have questions, we will be able to check this morning and I'll be able to come back with responses for you.

**Senator McALLISTER:** Thank you.

**Senator GROGAN:** We talked a little about the 450 recovery earlier today and that we're at the 1.9 delivered, with a plan for a hundred. Is that accurate? I know we went around in a few circles this morning.

**Ms O'Connell:** We did talk about it this morning. There's 1.5 recovered and a further 15.9 contracted, so that gets you to 18.5, and an estimate for a further 72,100 gigalitres.

**Senator GROGAN:** What's the time frame for the totality of that hundred, more broadly?

**Ms O'Connell:** Sorry, if I can correct that, it was 16.6 contracted in total. I think I said 15.9, but it adds up to 18.5. Thank you.

**Ms Connell:** Funding from the Water for the Environment Special Account is available until 30 June 2024.

**Senator GROGAN:** I appreciate that the money is available until then. I'm just wondering what the time line is for rolling out the projects that have already been identified, what that is looking like.

**Ms Connell:** As I said earlier this morning, the program is an application demand-based program. We are waiting for states to put forward applications. The minister approved a project from Victoria earlier this year. That's the Goulburn-Murray Water project. New South Wales has recently advertised and sought public submissions on some projects in the Murrumbidgee area. We're expecting an application from Murrumbidgee Irrigation shortly. But, given it's a demand-driven program, I can't say definitively when projects are going to finish and end.

**Senator HANSON-YOUNG:** But there's a deadline for this delivery.

**Ms Connell:** That's right. So one of the key things we'll be looking at in terms of the applications the states make is the ability to deliver projects by 30 June 2024.

**Senator GROGAN:** Given that that time frame is fast approaching, do you have any contingency in place to try to adjust that demand based approach to something more proactive to enable the achievement of the 450? At the moment, it's not looking good.

**Ms Connell:** We're being very proactive. We're meeting regularly with the states. We're encouraging them to engage with irrigation infrastructure networks. We'll also look to the advice that the second independent review of the Water for the Environment special account provides. That's another key factor in terms of looking at the way programs are designed to deliver the 450.

**Senator GROGAN:** In March there was the stocktake list, which is basically where you're at now. Has there been anything further since then? Maybe you could table the most up-to-date list. We have a list that was tabled previously, which is water recovery from potentially eligible projects.

**Ms O'Connell:** We tabled it at the last estimates hearing.

**Senator GROGAN:** Can you table an updated list.

**Ms Connell:** As I have already said, the program is about states putting forward projects for Commonwealth funding. We're working proactively with states to encourage them to work with their irrigation network providers to put forward projects. As part of that process, they'll undertake public consultation on the projects they think are feasible. We're encouraging them to do that. As you'll see on our website, we then publish information about projects that are being funded. The Goulburn-Murray Water project details are currently published on the Commonwealth's website. As applications come in, are assessed and the minister determines to fund them, the information about those funding arrangements will be made fully available.

**Senator GROGAN:** So there were nine shovel-ready projects—there were 10 but it was revised down to nine—advised back then. The minister said at the time that 10 of these projects could start within three to 12 months. How many of those have started?

**Ms Connell:** As I've said before, the Commonwealth is providing the funding to states to carry out these projects.

**Senator GROGAN:** I totally appreciate that. But the assurances were made in March and I would like to know what actually happened for those shovel-ready projects that we were assured were going to be rolled out in between three- and 12-months time.

**Senator HANSON-YOUNG:** Ten-months time, I think it is.

**Senator GROGAN:** My quote has '12'.

**Ms Connell:** The evidence I gave in May was that, on the basis of a stocktake we had undertaken, we had advice from states and from irrigation network operators that there were a range of projects that they were considering progressing. We are now at the point of waiting for states to put forward those projects.

**Senator GROGAN:** Have any of those shovel-ready projects started?

**Ms Connell:** The Goulburn-Murray Water project has started. You can find a progress update on the Victorian, Commonwealth or Goulburn-Murray Water sites about how that project is progressing. They outlined the milestones—

**Senator GROGAN:** So that's one out of nine.

**Ms Connell:** Yes, but, significantly, it's 15.9 gigalitres of water. We're anticipating that New South Wales will make an application in the coming weeks for a range of projects on behalf of Murrumbidgee Irrigation.

**Senator GROGAN:** The other 350 that isn't currently envisaged—I know you say you're being proactive with the states, but what I'm asking is: is there a point at which we need a contingency plan?

Is there a point at which we actually have to start thinking about what we're going to do to achieve the full 450 gigalitres of water that is a little bit more than just waiting for the states to front up or getting in touch with them on a frequent basis to ask them what they're doing—something more proactive and more concrete to ensure that we get that 450 gigalitres of water?

**Ms Connell:** The Water Act actually sets out a framework to check in on the progress of achieving the 450. The first checkpoint was the first independent review of the Water for the Environment Special Account, and the second independent review is currently underway. The act requires the government's response to that second review to be tabled as part of the 2022-23 budget.

**Senator GROGAN:** Which isn't really that far away. You would think you should be thinking about what the alternatives might be or what the enhancements to this program might be to achieve the 450.

**Senator PATRICK:** The minister's relying on hope.

**Senator GROGAN:** I don't think hope is going to cut it. Evidently hope's not going to cut it, from where we are now.

**Ms Connell:** The key function of the independent review is to look at potential progress and program design, so we await the outcomes of that independent report.

**Senator GROGAN:** It's finished, isn't it? It was handed to the minister on 30 September.

**Ms Connell:** The act requires two independent statutory reviews to be undertaken. The second review commenced in August. The terms of reference for the review are on our website.

**Senator HANSON-YOUNG:** We haven't seen the first one, though.

**Ms Connell:** The minister has asked the panel to report by the end of the year, so there will be a delay of a couple of months. But in terms of making sure the review panel is actually looking at the key issues, which are obviously the effectiveness of the new off-farm efficiency program, our advice was that it would be appropriate for the panel to have regard to the way that program is operating in terms of the advice that they provided.

**Senator PATRICK:** How many people have you got working on the report?

**CHAIR:** Thank you. Can we just go back to Senator Grogan.

**Senator HANSON-YOUNG:** Sorry, Senator Grogan.

**Senator GROGAN:** So you're going to table for us where the projects are up to. It was 70, and we've talked about 100. We know that the delivery is currently at 1.9.

**Senator PATRICK:** A woeful 1.9.

**Senator GROGAN:** Okay, a woeful 1.9. You keep referring to being proactive and working to what your statutory requirements are, which is fine. But among the collective in the room—the department and all of the people who deal with water and the Murray-Darling—there have to be some thoughts. Surely it's not just we on this side who are thinking that the 450 looks highly unlikely to be delivered from where we stand now without some form of alternative intervention or some other form of contingency.

**Ms Connell:** I don't think it's appropriate that we speculate or give opinions. Of course, we do the proper work that we do, and we are absolutely committed to delivering what the act requires us to do.

**Senator PATRICK:** Point of order, Chair: opinions on policy can't be sought, but expert opinions based on the knowledge and the experience that the team have can be called upon in relation to delivery of those policies.

**Senator GROGAN:** Well, if you take it away from opinion, surely it's part of the planning for the department.

**Senator PATRICK:** Exactly.

**Senator GROGAN:** If you know that you were given responsibility for a project and that project doesn't look likely to achieve its aims then, from a planning perspective and a strategy perspective, you should be exploring what your alternative steps might be or what your contingency might be.

**Ms Connell:** We are focused on delivering the plan. That's our area of focus.

**Senator PATRICK:** What's the FTE on the 450?

**CHAIR:** Senator Patrick, you can ask questions when it's back to your call. Senator Grogan has the call at the moment, but the secretary was answering the question.

**Senator GROGAN:** We'd just like to see that project list and those numbers and just confirm where those other eight shovel-ready projects are up to, given that you've said one has commenced and, in March, there were nine on the board that were shovel-ready.

**Ms Connell:** We will take that on notice and provide an updated list.

**Senator GROGAN:** Thank you.

**Senator McALLISTER:** If I may follow up, I am troubled. The reason we are seeking an update—and I'd like the update to be provided today; this is a conversation that we've been having at successive estimates—is that the committee and the public wish to understand progress against the 450. We've previously had assertions from the department that you calculate that there are 70 gegalitres of projects that have been identified. You've tabled a list. You've told Senator Grogan that, with one exception, these projects haven't been assessed as being ready to commence. Can I get an updated list today of the basis on which you continually assert, Ms Connell, that there are 70 to 100 gegalitres available in this project. Thanks.

**Ms Connell:** Yes, we will do that.

**Senator McALLISTER:** Great.

**CHAIR:** We are going to take a break and be back at 11.15, at which time we will return with Senator Hanson-Young.

**Proceedings suspended from 11:00 to 11:17**

**CHAIR:** We will recommence. Senator Hanson-Young—sorry, Mr Metcalfe?

**Mr Metcalfe:** Firstly, Senator McAllister asked me about whether any of our staff had been involved in the modelling work undertaken by the department of industry in relation to emissions reductions. I can advise that the department, and specifically ABARES, provided two staff to the project. ABARES was also asked to provide data on agricultural production and farm science in May. The request came at a couple of points during mid- to late May. We provided some economists who have modelling skills to assist the department of industry, and ABARES provided specific data as well.

Secondly, I think there was a question before as to where the MDBA CEO, Mr Glyde, is today. I thought it was appropriate to advise the committee that Mr Glyde is on long service leave—he has been on leave for some time; it's primarily for family support reasons—and Mr Reynolds has been acting for the entire period that Mr Glyde has been on leave. We expect him to be on leave for some time to come.

**CHAIR:** Our thoughts are with him. Thank you for that update.

*Senator Patrick interjecting—*

**CHAIR:** I appreciate that, Senator Patrick; as we all are. Thank you for the update. Senator Hanson-Young.

**Senator HANSON-YOUNG:** On that information you've just given us, Mr Metcalfe, have you seen the modelling?

**Mr Metcalfe:** I have seen versions of the modelling, Senator.

**Senator HANSON-YOUNG:** What impact does net zero by 2050 have on the productivity of the Murray-Darling Basin?

**Mr Metcalfe:** I cannot provide a detailed answer on that. I'm being careful because all of the material was cabinet-in-confidence material, and therefore it's not appropriate for me to discuss that in any detail. As far as I'm aware, there was nothing specifically associated with water matters in the Murray-Darling Basin, which is what we're talking about today.

**Senator HANSON-YOUNG:** Obviously the Murray-Darling Basin Authority have had to do some work themselves looking at the impact of climate change on the Murray-Darling. We know it wasn't mentioned in the first plan itself, and that is obviously a massive oversight. We now have an emissions plan from the government. I'm quite—I'm not surprised, but I am disappointed that the Murray-Darling isn't part of that plan.

**Mr Metcalfe:** I can't confirm or deny that, because no doubt ministers will make statements when they wish to about those issues. What I can say, Senator, is that there's no argument that a warming and drier climate is certainly impacting on the environment and the water inflows in the basin. ABARES released a report on that, and its impact on farm profitability some months ago. We discussed that before in this committee when we met on Tuesday. One of the expectations is that, in the decades ahead, water use, water efficiency and water storage will become even more important, because there will be probably less water in the systems.

**Senator HANSON-YOUNG:** Thank you, Mr Metcalfe. This is an issue we're going to have to continue to interrogate and test and make sure we have as much transparency as possible going forward, because you can't have a plan for dealing with climate change without considering the implications of the climate on inflows and the river system.

**Mr Metcalfe:** Certainly, I think a lot of the work of agencies around the future of the basin is predicated upon the fact that we have a scarce resource that, in fact, may become scarcer over time.

**Senator HANSON-YOUNG:** Thank you. Minister, both you and the secretary spoke earlier about being prepared to work towards delivering the Murray-Darling Basin Plan—'when people needed to work together' was the phrase that you used I think, and 'there needed to be a will' was the phrase of Mr Metcalfe. How do we measure that against front-page articles from the New South Wales water minister that trash the very existence of the plan. You can understand why people are sceptical of the ability to deliver it when you have rubbish like this going on.

**Senator Ruston:** Well, Senator, the article to which you refer, which was in a New South Wales paper this week—obviously there are some comments that have been attributed to the New South Wales water minister that, on the surface of reading them, would certainly cause me concern. I would be very interested to understand what Minister Pavey meant by those comments. My understanding, from the agreements that were reached in the last

couple of weeks in relation to incentives that have been put on the table for New South Wales to accelerate the delivery of projects that sit under the SDL, would certainly indicate that New South Wales remains committed to playing its part in the delivery of the plan. I am very keen to understand what New South Wales' position is, because its actions suggest that it's committed, but those comments probably need a bit more explanation.

**Senator HANSON-YOUNG:** Is this a case of saying one thing to readers of the *Daily Telegraph* and another thing to bureaucrats either in the state department or here in Canberra?

**Senator Ruston:** Obviously I can't speak on behalf of the minister in relation to what she means and what her intention is in relation to the delivery of the plan.

**Senator HANSON-YOUNG:** Kind of similar to Barnaby Joyce saying one thing to his party room and another thing to the public afterwards.

**Senator Ruston:** Senator, I'm not going to speculate on those sorts of things. I do take your point that, in relation to any of us who are in executive government, our comments do need to reflect the position of the party. I would be interested in a further explanation from the New South Wales water minister on exactly what she meant by the comments that are in that article.

My understanding is that the position of the New South Wales government remains that they are committed to working with the other states and territories and the Commonwealth for delivery of the plan. As I said earlier, I recognise the difficulty and that we all come to the table bringing forward the views of the people that we represent, and that is exactly what we should do, but, when you are the minister, there is a greater level of weight that's placed on your comments than when you're not.

**Senator HANSON-YOUNG:** You've said you would like to understand what this means. Has the minister for water contacted the New South Wales water minister since this article and asked what these comments mean?

**Senator Ruston:** I'd have to take that on notice, but I'm more than happy to do so.

**Senator HANSON-YOUNG:** I think it would be helpful to know whether the minister has actually reached out.

**Senator Ruston:** Sure.

**Senator HANSON-YOUNG:** Have the department contacted your New South Wales counterparts to understand what implications these comments make?

**Ms O'Connell:** I haven't.

**Senator HANSON-YOUNG:** Why not? Why wouldn't you want to know what's really going on?

**Mr Metcalfe:** We work really productively with all of our counterparts. As you'd expect, good public servants keep working on, and we work with the political direction or the law that we're required to do. It'd be simply not appropriate for us to pick up the phone and ask New South Wales. We work with them in meetings, in committees, all the time, and it's a good working relationship.

**Senator HANSON-YOUNG:** Thank you, Mr Metcalfe. Just to be clear, Ms O'Connell, no-one from the New South Wales department has shot through a message or an email to say: 'Don't worry. Don't scare the horses. We're still on track'? There are no assurances from the New South Wales department or experts or advisers that there is a change of policy?

**Ms O'Connell:** No.

**Senator HANSON-YOUNG:** Will you ask for any kind of clarification, when the minister themselves is saying that the plan never should have gone ahead?

**Mr Metcalfe:** We'll wait and see what New South Wales officials say to us in the various meetings we have with them, but, at the moment, we're committed to working with them productively.

**Senator HANSON-YOUNG:** A lot of the conversation this morning has been based around this idea of needing to be committed, having the will to do the things, to give it a red-hot go in terms of getting the water returns that we need. Isn't the problem that, in order to do that, the Commonwealth has to show leadership in this, and we've got the water portfolio held by somebody who actually doesn't believe in the fundamental basics of what the plan is meant to achieve? While I understand the difficult position you're in, Minister Ruston, your coalition partner is undermining the faith the community has that your government can and will deliver on this plan within the time frames and has a commitment to driving that through. You're a senator from South Australia. I know you care deeply about this issue. But it is having the National Party in charge of the water portfolio that just blows any sense of confidence that your government can deliver this.

**Senator Ruston:** I wouldn't necessarily agree that the minister doesn't understand the importance of the delivery of this plan. I genuinely believe he does. I also believe that he is committed to working to the outcome of the delivery of the plan. Is that to say that there aren't contested views around how that should be achieved? There absolutely are. But, in every dealing that I've had with Minister Pitt on this particular issue, he has been committed and does understand the importance of the delivery of this plan.

**Mr Metcalfe:** Just to add to what the minister said: in my opening statement this morning, I outlined a number of areas of substantial funding that is being provided right across the basin to provide strong support and to ensure that communities are at the heart of the plan.

**Senator HANSON-YOUNG:** Minister Ruston, does the minister you are representing here today—the Minister for Resources and Water, Minister Pitt—believe that South Australia still needs fresh water?

**Senator Ruston:** I'm unaware of where that particular comment came from—Senator McAllister or Senator Grogan raised it earlier—

**Senator HANSON-YOUNG:** It was tabled in the House of Representatives. It's still tabled.

**Senator Ruston:** I understand it was a briefing note in relation to those amendments back in July, or whenever that was.

**Senator HANSON-YOUNG:** Could I ask you to take that on notice? I'd like to know whether the minister—

**Senator Ruston:** Yes. I would suggest very strongly that he doesn't. I can assure you very strongly that I don't.

**Senator HANSON-YOUNG:** I understand that, but you're representing him and you don't actually know. I don't want the assumption. I'd like you to take that on notice and for us to hear back in this committee what the minister thinks about the needs of fresh water in Australia.

**Senator Ruston:** I'll make sure I have an answer for you confirming the minister's position before we leave here today—won't I, officials who are listening?

**Senator HANSON-YOUNG:** Are we going to be able to reach the 450 gigalitres being returned by the deadline of 2024?

**Senator Ruston:** It is the commitment—you've heard it from the officials today, and it's the commitment from me—that that is absolutely what we are working towards. We are not deviating from the commitment of the delivery of the Murray-Darling Basin Plan in full. Have we, on many occasions, heard from people who have expressed the difficulty of the delivery of that? Yes, we have. But that isn't to say that we are not going to try to do everything possible for the delivery of that 450 gigalitres under the exiting requirements of the legislation. As mentioned, we've got a review of the WESA under way at the moment. It is absolutely the commitment of this government to deliver the Murray-Darling Basin Plan in full—which means every component of it.

**Senator HANSON-YOUNG:** We are quickly running out of time, though. That's the issue here. It's a little bit like the Prime Minister saying, 'We'll get to net zero by 2050 but we're not going to do anything to change course to get there,' like it's magically all going to happen in 2049 or something.

**Senator Ruston:** I wouldn't agree that the Prime Minister has said that or that the intention of the coalition is to do that. In relation to 2050 I think we've been pretty clear about the technology road map and the plan that the coalition has put in place and will deliver in order to achieve the targets that the Prime Minister and the coalition have agreed to. I am not shying away from the difficulty of delivering this plan in full under the constraints that exist within the legislative framework that we're trying to deliver it in. That is absolutely unquestioned. What I'm saying is that there has been no diminution from this government in our commitment to do that—

**Senator HANSON-YOUNG:** From the Liberal Party side of this government.

**Senator Ruston:** The government is the government.

**Senator HANSON-YOUNG:** Therefore, you have to take responsibility for the fact that there are members of the National Party—members within the current cabinet—who are doing everything they can to undermine the delivery of this 450 gigalitres. You're either in this together and therefore you take responsibility for these water-thieving cowboys or you say: 'Actually, that is a problem. They are a problem and they are a handbrake on delivering the water.'

**Senator Ruston:** As I explained earlier, if you are in the executive of the government you must support government policy, and government policy as it sits today—and it will remain—is that we are committed to the delivery. Our policy remains the delivery of the Murray-Darling Basin Plan in full. We can't but accept the fact that it is going to be difficult, but that doesn't change anything. If people who sit in cabinet wish to take a different

view to government policy then that is a matter for them to reflect on as to whether they are going to uphold government policy or no longer sit in that cabinet.

**Senator HANSON-YOUNG:** Can you confirm and guarantee, Minister, that there will be no change to the government policy in relation to delivering the 450 gigalitres before 2024?

**Senator Ruston:** As it sits here right now, there is no plan to change any of the commitments in relation to the delivery of the plan in full. Now we're—

**Senator HANSON-YOUNG:** And that was not part of some secret deal between Mr Joyce and Mr Morrison on Mr Morrison's net zero plan?

**Senator Ruston:** Well, certainly not to my knowledge.

**Senator HANSON-YOUNG:** Could you take on notice, Minister Ruston, as to whether there is any truth in the very strong rumours that, in order to get the Nationals on side for the net zero plan, Mr Morrison has had to agree to water down your government's water policy—

**Senator PATRICK:** Or any commitment to it.

**Senator HANSON-YOUNG:** or any commitment to it?

**Senator Ruston:** I'm more than happy to take that on notice, but I can absolutely assure you, as I sit here today, having been briefed to come in to these estimates, and having a longstanding interest in water policy, I am not aware of any such—

**Senator HANSON-YOUNG:** Could I ask you to take that on notice.

**Senator Ruston:** Yes, of course.

**Senator HANSON-YOUNG:** I've got some other questions for the department.

**Senator O'NEILL:** Just before we move off, can I just note that Minister Ruston, in previous hearings, has used the term 'deliver the plan in full and on time'. Can I just clarify that you haven't been using that term 'on time'—should we take anything from that?

**Senator Ruston:** No.

**Senator O'NEILL:** We know one of the amendments was to delay the implementation of the plan; that was one of the Nats' amendments.

**Senator Ruston:** No. Don't read anything into that.

**Senator O'NEILL:** So your commitment is still to deliver it in full and on time?

**Senator Ruston:** Yes. Do not read anything into the fact that I haven't said 'on time'. As the plan sits before us at the moment, it has all of its time frames, all of its delivery targets—

**Senator HANSON-YOUNG:** We'll take your word for it, Minister.

**Senator Ruston:** There was no intention.

**Senator O'NEILL:** Thank you.

**Senator HANSON-YOUNG:** Could I ask the department: Ms O'Connell, has the department been asked to prepare any contingency plans if we don't get the 450 by 2024?

**Ms O'Connell:** No, not as contingency plans. I note that there was a change in the program in terms of the Off-farm Efficiency Program that was announced earlier this year. We can take you through that change. Obviously, we were heavily involved in that. Some of the guidelines are out for consultation now for some of the components of that off-farm water efficiency program.

**Mr Metcalfe:** As I think Ms Connell said earlier, we now have a second review of the Water for the Environment Special Account underway. That will report in due course and I suspect that that will inform future government policies on how we can in fact achieve the plan.

**Senator HANSON-YOUNG:** On that WESA review, we were talking about it just before the break and I just want to come back to clarify this. I understand that the legislation required the review to be completed by 30 September, so I'm just wondering: if that was the requirement—and I know you've said there's a delay—what is the process for not being in breach of the act?

**Ms Connell:** The act requires the government's response to be tabled as part of the 2022-23 budget. We are still on track for that commitment to be met.

**Senator HANSON-YOUNG:** Doesn't the act reference 30 September?

**Ms Connell:** It does, and, as I said earlier, the minister has requested that the independent panel provide him advice by the end of the year. One of the key functions of the review is to look at the program design that's being used to achieve the 450, so it was reasonable for the review to commence at a point in time so that the panel was actually able to look at the new off-farm program arrangements. If it had kicked off any earlier, it really would have been looking at the same program arrangements it had looked at in the first independent review.

So, in terms of providing useful information to the minister, it made sense for the panel to have regard to those new arrangements and how they're operating.

**Senator HANSON-YOUNG:** Just to be clear, the legislation under section 86AJ of the act states that the report of the review must be provided to the minister—'must' it says—by 30 September 2021. I understand the practicalities. You've said that you weren't able to do it.

**Senator PATRICK:** I didn't seek to amend that—

The Inspector-General went through it.

**CHAIR:** Senator Patrick, you can have the opportunity to speak when your questions come up.

**Senator PATRICK:** This committee always used to have a bit of friendly assistance.

**CHAIR:** It does. We're just very short of time today, so I'm trying to keep it going.

**Senator HANSON-YOUNG:** I'm concerned that things just keep slipping. Things are slipping so badly that we've only recovered two gigalitres of 450. We've got plans to, maybe, deliver another 100; nothing beyond that. Even the basic review that's meant to show how on track, where we're up to, or what the alternatives are, is being delayed. So you can understand why I'm quite cynical of just being told, 'It wouldn't have been very helpful; we wouldn't have had the information for the minister.' Well, this is the problem.

**Ms O'Connell:** I met with the chair of the independent panel earlier this week. He assured me that he was confident that he would be able to provide his report to the minister by the end of 2021.

**Senator HANSON-YOUNG:** But the act said 30 September.

**Ms O'Connell:** As I said earlier, the government response is required to be tabled as part of the 2022-23 budget, and I believe we're still on track to achieve that time line.

**Senator HANSON-YOUNG:** Do you pick and choose which parts of the law to adhere to?

**CHAIR:** Senator Hanson-Young, I'm calling time.

**Senator HANSON-YOUNG:** I'll just finish this line and then I'll be happy to move on. It is not up to the department to pick and choose which parts of the law you adhere to.

**Ms O'Connell:** The minister's terms of reference for the review are published on our website. I'm happy to table a copy of those terms of reference.

**Senator HANSON-YOUNG:** It's not up to the minister either. I think this is an example of how things keep being allowed to slip and slip. We're going to get to 2024 and we're not going to have the water, and people like the New South Wales water minister are going to be jumping up and down singing 'Hooray!', and people in South Australia are going to cop it.

**CHAIR:** Thank you. Senator O'Neill.

**Senator O'NEILL:** Can I just ask a question arising from the comments there. Did the department seek any advice about the impact or options with regard to missing that legislatively declared deadline?

**Ms O'Connell:** I'd have to take on notice, just to confirm.

**Senator O'NEILL:** Can I also go back to a question I asked about forms of take, especially the floodplain harvesting, and go to the uncertainty about the numbers that were indicated previously. You told me that it was 240 gigalitres. Is that correct?

**Ms O'Connell:** We'll get the Murray-Darling Basin acting CEO to return to the table.

**Mr Reynolds:** That's right, yes.

**Senator O'NEILL:** I'll refer to a submission from the Australia Institute that talks to the floodplain harvesting. It states that at the time the Basin Plan was made, the amount of floodplain harvesting in the basin was estimated to be around 210 gigalitres per year, although there was high uncertainty about the accuracy at the time. You've now told me that the modelling, which is not monitored and accounted for water, you believe, is around 240 gigalitres. But evidence was provided to the South Australian royal commission that indicated that the New South Wales government had acknowledged that floodplain diversions have been grossly underestimated and may account for up to 600 gigalitres in the Gwydir. You'd be aware of this conjecture about how much money is



moving in and out and off and on the market. How reliable is that number that you've me of 240 gigalitres? Are you willing to stake your career on it, Mr Reynolds?

**Mr Reynolds:** The New South Wales government is continuing to work through its policies and processes around the management of flood plain harvesting. Certainly, there was significant uncertainty about the degree of flood plain harvesting when the Basin Plan was made, but there has been a lot of work done in recent times to progressively refine that information.

**Senator O'NEILL:** Yes, but is there certainty now? It does not seem to me that that is the case, and we're talking about quite a substantial amount of water.

**Mr Reynolds:** The work that is ongoing is about increasing the level of certainty. It's about finding ways to measure, monitor and assess the level of flood plain harvesting that is happening. That's work that the New South Wales government continues to progress. In due course, they will bring forward their procedures and processes around that, as part of their water resource plan submissions, but they are yet to bring them forward.

**Senator O'NEILL:** It feels like it's two minutes to midnight and we're still saying that we're waiting for the New South Wales department to play nice. We're unsure about the figures and the numbers. We are waiting for Minister Pavey, who has made some extraordinary comments, comments that we've been discussing in the last few days.

**Mr Reynolds:** I think there has been significant work done by the New South Wales government and officials to progress the flood plain harvesting matters.

**Senator O'NEILL:** They started at a low base, though, didn't they? Do you have confidence that this '600 gigalitres' number that was provided to the commissioner is accurate? Have you got any confidence in the numbers about the flood plain harvesting going on in the northern part of New South Wales?

**Mr Reynolds:** I think the work that is being undertaken to progressively refine and understand those numbers is prudent and—

**Mr Reynolds:** I understand that, and you are continuing to give accolades for some work done. My question is not about the work, the hope or the effort. My question is about the numbers. Are there clear numbers about what's going on with flood plain harvesting in the northern part of New South Wales? Do you have facts?

**Mr Reynolds:** The measurement or assessment of flood plain harvesting is clearly quite a challenging issue. The processes by which it can be measured—the physical works on the ground—are not such that it is easy to measure. There is a lot of work being done looking at remote sensing and looking at how storage volumes might be measured. I think that is progressively improving the understanding, and I think it will continue for a period of time.

**Senator O'NEILL:** I'll have to take that as a no. It sounds like it's still a work in progress, in every answer that you've given me. You have no clarity. This is a work in progress.

**Mr Reynolds:** Well, it's work that the New South Wales government is undertaking and will bring forward as part of its water resource plan accreditation process. That work is ongoing until it reaches a conclusion. But there is uncertainty, yes.

**Senator O'NEILL:** There is uncertainty; of course, there is. Thank you very much. Could I go to the Goulburn-Murray Water project. My understanding is that it has been approved at a cost of over \$11,000 a megalitre. In September 2020, the Goulburn Valley Environment Group raised some concerns from their point of view that it was an abuse of public funds, and they questioned why there was no standalone cost-benefit analysis of the project and why that cost-benefit sharing wasn't taken into account. We've been talking about the WESA. The review adds more uncertainty to it. We know it was established to get the 450 recovery, but it doesn't seem to be achieving that task. Why are taxpayers footing the bill to reduce the whole-of-life operation and maintenance costs for Goulburn-Murray Water and its customers?

**Ms Connell:** The project was funded from the Water for the Environment Special Account. Section 86AD of the act makes it clear that that account can be used to fund irrigation infrastructure and water efficiency projects and also projects that are designed to improve practices in the way water is managed and to offset the detrimental social and economic impacts of projects. The Goulburn-Murray project was assessed against those criteria to provide value for money.

**Senator O'NEILL:** So \$11,000 a megalitre is considered value for money in this context. Is that correct?

**Ms Connell:** I think the important thing to keep in mind is that the program and the funding under the act aren't designed to acquire straight-out water entitlements; the program and the act are designed to fund

infrastructure projects. One of the key things that we examine in terms of whether a particular project provides value for money is the effectiveness of an infrastructure project in delivering against the objects of part 2AA.

**Senator O'NEILL:** We've got people out there who are jumping up and down trying to get your attention, saying: 'Hey, we live in this community. We see what's going on. You're paying for infrastructure that has not given us what we need.' You're paying \$11,000 a megalitre, and they're saying, 'Something is not right here.' How much attention are you paying to what I would call public whistleblowers? And they're not just on their own; they're not just individuals. These are collective communities that are telling you that you've got something pretty badly wrong with your investment in this infrastructure.

**Ms Connell:** As part of the project proposal that Victoria put forward, they undertook a period of public consultation and engagement. From memory, that was in September and October last year. As part of their application, they set out what that public consultation raised and how they were addressing the issues. I will point out that the current projections are that the project will actually provide 900 jobs in that regional community over the life of the program.

**Senator O'NEILL:** I understand that is disputed. I know that's a claim, and I would hope—we've been using the word 'hope', but hope is not a strategy; it's just a desire for something to become a reality. Could I ask what this means, because some of the language can be really distorting—the Goulburn-Murray Water project claims it will 'rationalise more than 1,000 outlets'. What's an outlet rationalisation?

**Ms Connell:** I'm not an engineer, but we can take that question on notice. I will point out that the Goulburn-Murray Water website includes quite detailed information about the project—how it operates, the stages, what's involved, and the point at which key milestones will be rolled out and delivered.

**Senator O'NEILL:** Can I just express some concern—is there anybody here who can help me to understand what an outlet rationalisation is?

**Ms Connell:** Yes. Mr Reynolds can.

**Mr Metcalfe:** We're looking around for an engineer, I think.

**Senator O'NEILL:** The people I've met up and down the river—in hearings and outside of hearings, in visits to their environments, where they're working on farms et cetera—have a pretty good idea about how stuff works. They have a pretty good idea about fixing stuff with ingenuity. So what's outlet rationalisation?

**Ms O'Connell:** Just before Mr Reynolds answers, I would mention that we did do an independent review of the Goulburn-Murray proposal, as well. But I'll hand to Mr Reynolds to explain outlet rationalisation.

**Mr Reynolds:** I haven't been involved with this specific project, but, from my engineering knowledge, an outlet is a metered point a property, a point where water is delivered onto a property. Rationalisation typically talks about reducing the number of those. So when they're talking about rationalising—I think the number was 1,000—it's about having 1,000 fewer metering points. Where a property might have two or three or multiple meters, it's about consolidating them into a single point and potentially having higher flows through that. It's a way of improving the efficiency of getting water to a property. It certainly saves money, as well, because there's less infrastructure in total.

**Senator O'NEILL:** Thank you for that. That's helpful. How does that rationalisation return water to the environment? It saves water, you said, but how does it return it to the environment?

**Mr Reynolds:** I've got to say I'm not familiar with this particular project, but I imagine it would be about reducing the extent of the channel network and consolidating the points, resulting in a lesser number of delivery points, so you end up with less channel length, and therefore the losses from that system are typically less. There's less evaporation and less seepage.

**Senator O'NEILL:** The point that was made was that water that was supposed to be going to the environment is now being used to reduce whole-of-life operation and maintenance costs for these sorts of infrastructure projects for Goulburn-Murray Water and its customers. They see those things as at odds, and there are concerns about the 11,000 per megalitre. Are you aware of the community's concerns, and do you believe that they are adequately covered by what you've told me?

**Mr Reynolds:** What I've spoken to is the engineering behind similar projects. I'm not familiar with this particular project. I'm not sure if others can speak to it

**Senator O'NEILL:** Ms Connell?

**Ms Connell:** If the senator's question goes to concerns about whether the 15.9 gigalitres will actually be returned to the Commonwealth Environmental Water Holder in terms of entitlement, as part of our review of the application, we've commissioned the engineering firm GHD to look at that. The other check that we imposed on

funding for the project was to require the Victorian government to underwrite that commitment. So the funding agreement that's on the department's website—the Victorian government commits to ensure that that water entitlement will be delivered to the Commonwealth Environmental Water Holder.

**Senator O'NEILL:** This particular amount you think will yield 15.9 gigalitres.

**Ms Connell:** That's correct. That's what the independent engineering advice told us, and that's what the Victorian government has committed to.

**Ms O'Connell:** So essentially what we've contracted for, yes. It's about being more efficient and more effective with the infrastructure.

**Senator O'NEILL:** At a price of \$11,000 a megalitre. One project that was on the list of fast tracked off-farm efficiency projects is now a subject in the Murrumbidgee irrigation proposal. It's the construction of four surge reservoirs to ensure river orders are taken to minimise excess being released from the storage. The proposal, as I understand it, states that each year 70 gigalitres of releases are not taken by Murrumbidgee irrigators. So my question then is: if this project is approved under the OFEP, does that mean that WESA funds will be used to reduce the amount of water flowing downstream?

**Ms Connell:** Given we haven't received an application and we haven't assessed that application, I wouldn't like to posit a response to that until we've had an opportunity to receive that application and review it.

**Senator O'NEILL:** I'm just referring to a list of likely water recovery from potential eligibility projects that's being provided to us. This is one of the items that's on it.

**Ms O'Connell:** Yes.

**Senator O'NEILL:** Is it likely or is it not likely? Is it really happening or is it not happening? How real is this list and how much of it is a phantom so we look like we're doing something?

**Ms Connell:** As I said earlier this morning, the New South Wales government, we think appropriately, undertook a public consultation on the proposed project. That was to get stakeholder feedback, get information from the local community about the project. That public consultation closed on 3 October, and you can find the project proposal on the New South Wales government Have Your Say website. We understand that New South Wales is in the process of taking on board information provided as part of that public engagement, and we're expecting that application shortly.

**Senator O'NEILL:** Can you explain to me the approval of the project under the OFEP and how that is not at odds with the fundamental purposes of WESA, which is increasing water to the environment?

**Ms Connell:** If I can just take you to the relevant provision in the Water Act, section 86AD of the Water Act, which sets out the purposes of the WESA account, at subsection (2) says:

(2) Amounts standing to the credit of the Water for the Environment Special Account may be debited for any of the following purposes:

(a) making payments in relation to projects ...

(i) improving the water efficiency of the infrastructure that uses Basin water resources for irrigation

**Ms O'Connell:** In short, that means that more effective and efficient irrigation provides opportunities to reduce water losses.

We haven't seen the final New South Wales proposal yet, as Ms Connell said. It's been out for consultation. New South Wales are looking at the responses from that consultation, and we expect, soon, to receive a proposal from them and then we will assess it.

**Senator O'NEILL:** So, fundamentally, the community that are observing these projects that are being funded are disputing the claim that you make there that these are efficiency measures; that they are simply infrastructure builds from which they cannot see efficiency measures?

**Ms Connell:** One of the other key requirements of the WESA account is that the Commonwealth has to actually receive a water entitlement. So we don't fund projects unless we are going to receive in return for that funding a water entitlement that the Commonwealth Environmental Water Holder can use. One of the key things we look at, and we get independently verified, is whether we are actually going to get that title to the water handed over. It's a requirement of the WESA funding.

**Senator O'NEILL:** Can I ask you to table any independent reports that you have on your proposed off-farm efficiency projects?

**Ms Connell:** I will take that on notice.

**Senator O'NEILL:** Roughly, how many do you have?

**Ms Connell:** We have an independent report in relation to the Goulburn-Murray Water project.

**Senator O'NEILL:** What about the Malawah irrigation project?

**Ms Connell:** As I said earlier, the stocktake produced a list of project projects. We are now working with states to encourage them to put forward applications for funding. As part of that application process we will commission independent advice in relation to the costings and the ability of the project to actually return water entitlements to the Commonwealth Environmental Water Holder.

**Senator O'NEILL:** If I just work my way through this list, can you say 'already commissioned' or 'will be commissioning'? So Goulburn-Murray?

**Ms Connell:** Commissioned.

**Senator O'NEILL:** Malawah Irrigation?

**Senator DAVEY:** Mulwala.

**Senator O'NEILL:** Oh, sorry; Mulwala Irrigation?

**Ms Connell:** As I said earlier, Goulburn is the only project that has been commissioned to date. We are waiting for applications from states in relation to the others.

**Senator O'NEILL:** So Moira Private Irrigation?

**Ms O'Connell:** Senator, we only do the independent assessment when the final proposal is in front of us. The one we talked about before, with Murrumbidgee, has been out for consultation with the state but we don't yet have the final proposal. When we get the final proposal from the states that's when we would do the independent assessment.

**Senator O'NEILL:** Okay; I'm just trying to get clarity. So you've got an independent report on Goulburn-Murray, but none on Mulwala, Moira or Murrumbidgee?

**Ms Connell:** As I said earlier, we expect the New South Wales government to put its application to us for the Murrumbidgee projects very shortly.

**Senator O'NEILL:** As much as I like to stand up for my great state of New South Wales, I have to confess that I have grave concerns about Minister Pavey's management of this portfolio. So let's get the facts on the table. Do you have an independent report on Trangie Nevertire Co-operative?

**Ms Connell:** No. As I said earlier—

**Senator O'NEILL:** It hasn't been submitted to you?

**Ms O'Connell:** It hasn't been submitted yet.

**Senator O'NEILL:** West Corugan Private Irrigation District?

**Ms Connell:** We are yet to receive an application from New South Wales.

**Senator O'NEILL:** [inaudible] New South Wales?

**Ms Connell:** As I said before, we are yet to receive applications from New South Wales.

**Senator O'NEILL:** How many more can you add to that list where nothing has been advanced?

**Ms O'Connell:** I wouldn't say it's nothing been advanced. Proponents like Murrumbidgee Irrigation, for example, are out there consulting. For us to do an independent assessment, it's sensible for us to wait until the final proposal is with us, and that's the stage that we are close to with the New South Wales and the Murrumbidgee Irrigation project.

**Senator O'NEILL:** Senator Hanson-Young has already indicated that the attention of, I suppose, the entire nation has been drawn to Ms Pavey's comments in recent days. Do you have a copy of the *Daily Telegraph* article?

**Ms Connell:** Yes, Senator.

**Senator O'NEILL:** Thank you. I will go to that. I'm glad you have it. The Murray-Darling Basin Authority determined that supply projects would enable the SDL to be increased by the magic number of 650 gegalitres per year.

This increase was dependent on 62 gegalitres per year being recovered through efficiency programs by 30 June. Otherwise the increase would be lowered to five per cent of the SDL figure, or 543 gegalitres per year. Did the government meet the deadline, 30 June 2019?

**Ms O'Connell:** Are you referencing the article?

**Senator O'NEILL:** No. I'll come to that in a minute. I just wanted to make sure that you had the article.

**Ms O'Connell:** I've got the article. I'm sorry; I thought you were quoting from the article.

**Senator O'NEILL:** I'll get there. I was going to get a copy for you if you needed it. I'll state it again. The SDL was to be increased by 605 gigalitres, and the increase was dependent upon 62 gigalitres per year being recovered through the sorts of measures we've just been talking about—efficiency projects. That had a deadline of 30 June 2019. Failure to meet that deadline would see the amount lowered to five per cent of the SDL figure, or 543 gigalitres per year.

**Senator Ruston:** Can I just get some clarity? The 62 gigalitres relates to 650, not to 605.

**Senator O'NEILL:** Sorry.

**Senator Ruston:** I'm still actually a little confused about exactly what you're asking. The SDL that was legislated was 605—

**Senator O'NEILL:** Was there a deadline set for the achievement of that by 2019?

**Senator Ruston:** The SDL measures went through the parliament at 605, didn't they? We probably need to get the date. It was not 650, which was where the 62—because of the five per cent—came from.

**Senator O'NEILL:** Right. Do you want to clean up my numbers and explain it to me? Tell me about the deadline. Was it met or not met, and what adjustment occurred?

**Mr Reynolds:** When the adjustment was assessed by the authority, the 605 was reduced by the authority as a result of the five per cent rule—until the efficiency measures are achieved, the amount of the adjustment is limited to five per cent of the total SDL.

**Senator O'NEILL:** Which is an amount of 543 gigalitres per year—is that correct?

**Mr Reynolds:** That's right, until the 62 of efficiency measures is achieved.

**Senator O'NEILL:** Did the government meet the 62-gigalitre target?

**Mr Reynolds:** That's the program for efficiency measures that's in train, which we've been talking about this morning.

**Senator O'NEILL:** So, no?

**Mr Reynolds:** As the efficiency measures program rolls out, if the 62 gigalitres is achieved—or when it's achieved—the full adjustment, of 605, can be made to the SDLs. But without—

**Senator DAVEY:** At the moment, from July 2019, when you're doing the assessments, you are assessing the SDL with the adjustment of 543 rather than the full 605. But, going forward, if we get more of the 62—

**Senator O'NEILL:** It goes back up.

**Senator DAVEY:** you will adjust it proportionately.

**Mr Reynolds:** That's right.

**Senator O'NEILL:** So it's a bit of a movable feast?

**Senator DAVEY:** Yes. But we haven't got the full 605 yet.

**Senator O'NEILL:** The first review of the Water for the Environment Special Account, WESA, found: The constraints measures program will not be delivered in full by 30 June 2024. Is that correct?

**Senator PATRICK:** I think the productivity commissioner said that, too.

**Dr Derham:** The question was in relation to the constraints projects?

**Senator O'NEILL:** Yes, it was. Let me just ask it again. The first review of the WESA found: The constraints measures program will not be delivered in full by 30 June 2024. Is that correct?

**Dr Derham:** Earlier this year, we commissioned an independent expert group to come together and do an audit of the status of the implementation of those projects. That was undertaken by Indec Pty Ltd. The results of that are published on our website. The constraints projects that you refer to also form part of the 36 projects that were notified by the basin states as part of the 605 supply offset. In that report, Indec did note that there is significant risk associated with those projects, for their delivery.

**Senator O'NEILL:** Thank you. You've obviously got a very deep knowledge of this. People up and down the river just want it straight. 'The constraints measures program will not be delivered in full by 30 June 2024'—is that correct?

**Dr Derham:** We are doing everything we can to ensure delivery on time, within that time frame.

**Senator O'NEILL:** I've got no doubt about your desire to reach the goal, but does that statement, as we speak today, remain correct: the program will not be delivered by 30 June 2024?

**Dr Derham:** I would put it in the context that there still remain risks for delivery within that time frame but those risks are trying to be mitigated at this stage.

**Senator O'NEILL:** Yes, and they've been trying to be mitigated over a long period of time, but the reality your report describes is the reality that people up and down the river know: the constraints measures program is not going to get delivered—at this point in time.

**Dr Derham:** We are seeing progress with quite a number of the constraints projects. I would agree that there is still more to be done. Notwithstanding that, the recent announcement by Minister Pavey and Minister Pitt on five projects that were being accelerated included two key subareas of one of the significant constraints projects—that is, the Yarrowonga to Wakool constraints project—and within that announced funding arrangement are quite significant areas of that constraints project progressing.

**Senator O'NEILL:** So the report tells us it's not going to be met, but the song and dance and the announcement of a new program gives us hope eternal that it still can be met, even though that review said it's not on target. Can I go to you, Minister. What's the position of the government with regard to these constraints measures programs not being delivered in full by 30 June 2024?

**Senator Ruston:** I think a lot of this goes to the difficulty that is before us, but hopefully you can take something away from here, in that the commitment of the agency, the commitment of the government and, I think, the commitment of everyone who sits in this room is that when you come up against a hurdle you don't just stop there and say 'too hard'; you actually go and try and determine other means by which to be able to deliver on this. I absolutely don't accept that we can't do it. I absolutely believe that we can do it. Is that going to mean that there are going to have to be a few people who actually make a commitment and put the will behind delivery? Yes, it does, and clearly, by myself, I can't deliver, but I am still absolutely of the view that we are not at a point in time where we should be giving up. We should continue to be working—

**Senator O'NEILL:** Thank you. I can hear the care about what's going on here, Senator Ruston—we all care—but you're the government. This is a plan that has had a long time for implementation. Reports are telling us 2024 is not going to happen. We've got amendments coming into the parliament from the National Party, particularly led by Senator McKenzie now, who's taken a position back to cabinet saying there's no way we're going to hit 2024. They're trying to blow out the time line. I'm trying to get a read on the reality because this really matters to people whose lives are dependent on this up and down the river. They need more than a hope—a wing and a prayer. Commitment isn't enough; commitment's not cutting it anymore. They need the practical response.

Thank you for your answer. I will ask another question that goes to a little more detail. If any of the environmental offset projects are not delivered as agreed, by 2024—which was indicated in the statement that I've just referred to in the report—and those that are delivered, if any, deliver benefits that are equivalent to less than the 605-gigalitre target, what action will the Commonwealth then take to implement the Murray-Darling Basin Plan?

**Senator Ruston:** Obviously, the officials can talk to the detail of the reconciliation that needs to occur at the time, because, of course, there are so many pieces to the delivery of this plan that fit together, and I will ask them to respond to that.

But can I take a step back to your first comments after my last answer, in relation to what really matters to the people who live in the communities along the Murray-Darling Basin. What really matters to them is that they're still going to be there. What really matters to them is that they have got a sustainable environment going into the future. Their livelihoods rely on this.

**Senator O'NEILL:** Yes, they do.

**Senator Ruston:** I think one of the things that we need to remember is that we need to hear the voices of everybody who is impacted by this. You went to some degree to that, Senator O'Neill, in your comments that this really matters to the people who live in the Murray-Darling Basin. It really does matter. It's incumbent on us to listen to their voices as well as other voices if we are actually going to achieve this triple bottom line plan that we're intending to. To your point around the reconciliation at 2024, the officials are obviously in a better position to answer that than me.

**Senator O'NEILL:** Senator Ruston, I think you have to begin to acknowledge that—for example, that list I just went through was provided to this committee as an indication of projects that we should be hopeful about that

will be implemented. When I've had these independently assessed, we've only got one of the ones that were listed. This is what's driving people absolutely ballistic out along the river system. There's the pretence, the announcement and the smokescreen cover when they can see what's going on in their community, and they're raising alarm left, right and centre about how things are being managed.

**Senator Ruston:** I'm not necessarily sure you're correct in your summation there about what's happening in our river communities, Senator O'Neill. Notwithstanding that, I understand the sentiment behind your comments. Perhaps the officials can give you an idea on the reconciliation process.

**Senator O'NEILL:** Apparently we're not going to get there. If a few things sort themselves out and come forward and we're going to get some benefits, but still it's less than the 605—what's the plan then?

**Dr Derham:** The Murray-Darling Basin Plan provides for a reconciliation. It's a suite of projects that were notified by basin governments—in this instance, New South Wales, Victoria and South Australia. The Basin Plan sets out that they have until 30 June 2024 to have those plans constructed and operational within the river systems.

**Senator O'NEILL:** How is Minister Pavey going in meeting those commitments and those plans with the state of New South Wales?

**Mr Metcalfe:** I think Ms Derham was just finishing her answer.

**Dr Derham:** If, come 31 December 2023, the Murray-Darling Basin Authority believes that those projects won't be implemented as notified, they will undertake their reconciliation. It's important that that reconciliation is done on the suite of projects because they're interdependent on each other in the way that the river system operates. It's at that point we'll have an understanding of the quantum of delivery or nondelivery of the 605.

**Senator O'NEILL:** Will the adjustment of the 605 gicalitres be re-adjusted since the New South Wales Menindee project has been rescoped?

**Dr Derham:** At this point in time we are still waiting to get further advice from the New South Wales government in terms of the consultation that they're currently undertaking with the communities associated with the rescoping of the Menindee Lakes project. We are hopeful to receive some further advice before the end of this calendar year. Once we receive that, basin governments collectively will need to consider the new proposal if brought forward by New South Wales at that time. We welcome the fact that New South Wales is out working with communities and trying to resolve the issues and risks that you have alluded to about these projects in what they are delivering and how they are delivering outcomes. At this stage we're still awaiting further advice from New South Wales and the outcomes of that consultation.

**Mr Metcalfe:** To add to that: I don't want to make too big a point of this, but I feel very sympathetic to state officials who are attempting to do this work at a time when coronavirus restrictions have effectively locked people down into Sydney and different parts of New South Wales. The ability to freely travel, to consult and to have the face-to-face discussions that are so important here has been really difficult over the last 18 months and particularly over the last six months. That's another complication in what's a pretty complicated story.

**Senator O'NEILL:** I take your comment at face value. I'm sure that you're telling me the truth there. But what I fear and what I'm hearing in the background is, 'There's another reason why the date should get blown out in the way the National Party has tried to introduce'—not your words, Mr Metcalfe.

**Mr Metcalfe:** I'm just saying, like all of us, we've all been frustrated that we haven't been able to get out and talk with people. It's not just us; it's you and everyone. It's just another thing that we're having to deal with here.

**Senator O'NEILL:** But the life of the river and the communities along the river is going to be affected independent of COVID.

**Mr Metcalfe:** As I said in my opening statement, the rivers, the storages and the environment are in extremely good health at the moment, which is wonderful, because it has rained.

**Senator O'NEILL:** That's exactly right; not because the plan has been delivered or the efficiency—

**CHAIR:** Please let Mr Metcalfe finish.

**Mr Metcalfe:** What we've now seen after 10 years of the plan, having been through a huge drought, is a recovery in the system, and we're now in a better position. That's not to say that in the future we're not going to face future droughts—of course we will. The plan remains even more important into the future. But it is really pleasing at the moment that the environment, the economy and the industries are in very good shape. Agriculture is performing at record levels. The environment is recovering very well, as we've heard from the Commonwealth Environmental Water Holder. Notwithstanding the frustrations and health issues associated with the pandemic,

we, and I'm sure our state colleagues, are really anxious now to get back out there and to be continuing to consult with people.

**Senator O'NEILL:** I've got no doubt that you're showing up and trying to do your job, and I've got no doubt that public servants in New South Wales are showing up and trying to do their job. But you've actually got a New South Wales minister who's just come out and said that the current state of the plan was 'environmental vandalism'. It doesn't sound like she's signed up to showing up and doing her job for the Murray-Darling Basin Plan. It sounds like she's ready to blow the whole thing up. And she's got a few friends in the Nats who are not only moving amendments here in parliament but doing acts of considerable contortion to say one thing in their constituencies in regional New South Wales and then walking through the door into the cabinet for the government. The whole thing seems to be chaotic to me. Can I ask this question—

**CHAIR:** Senator O'Neill, I have to flag that I have accidentally given you a double block.

**Senator O'NEILL:** Sometimes you get lucky! The rain falls!

**Senator PATRICK:** You're going to have to put up with a double block from me now!

**CHAIR:** That won't be the case, Senator Patrick!

**Senator O'NEILL:** Can I just finish a line of questioning?

**CHAIR:** Thank you.

**Senator O'NEILL:** Thank you very much. Minister Pavey has just announced \$330 million worth of projects in New South Wales. Have you got oversight of that? Have you been involved with that in any way?

**Ms O'Connell:** Absolutely. I would point to that being significant cooperation across Commonwealth and New South Wales to accelerate five very significant projects, to the value of \$330 million, to deliver.

**Senator O'NEILL:** Can I make an observation that in all of the commentary that we've had here this morning not one person has mentioned First Nations and no-one has spoken about cultural flows. This seems to be a pattern that is constantly perpetuated in the context of the Murray-Darling Basin. I want to put on the record the offence that has been conveyed to me in hearings along the river by First Nations people, who constantly feel they're the last ones—as you're about to walk out of the door—who get any consultation.

**Mr Metcalfe:** We've been responding to questions from senators. If senators want to ask about that issue, we're very happy to talk about it.

**Senator O'NEILL:** I've got no doubt about that, Mr Metcalfe. I just point out that the cultural practice seems to position First Nations as last nations. Were First Nations—

**Senator Ruston:** Chair, I really do feel like I need to intervene here. There has been a program, the Aboriginal water entitlement program, that was put in place.

**Senator O'NEILL:** How much was that worth?

**Senator Ruston:** \$40 million.

**Senator O'NEILL:** How much has been delivered?

**Senator PATRICK:** None has been spent.

**Senator O'NEILL:** How much has been delivered?

**Senator DAVEY:** You haven't asked a single question on it yet.

**Senator PATRICK:** I've got it on my list.

**Senator O'NEILL:** I've got plenty.

**CHAIR:** Terrific. Please finish, Minister.

**Senator O'NEILL:** \$40 million?

**Senator PATRICK:** The answer was nothing.

**Senator O'NEILL:** Zero.

**Senator PATRICK:** A bad example, Minister. Try another one.

**CHAIR:** Minister, please finish and then we will move to Senator Davey.

**Senator Ruston:** Would you like me to provide you with an update in relation to this water or would you prefer to wait to ask your questions?

**Senator O'NEILL:** I want to ask about that later, but my questions go to the \$330 million. Were First Nations—



**Senator Ruston:** Clearly you do not want to hear the answer to the question.

**Senator O'NEILL:** I do, but I've got a series of questions I'd like to come to unless I get more time.

**Senator Ruston:** I've got to say, that looked awfully like a little bit of grandstanding without really wanting to know the answer to the question.

**Senator O'NEILL:** I do, but I want answers about the \$330 million right now. Were First Nations consulted about the project—

**Mr Metcalfe:** Senator, just for the record, can I also say: I have referred frequently I think this morning to communities along the—by that, I include all communities, including First Nations people.

**Senator O'NEILL:** I thank you for that clarification, Mr Metcalfe, but we might need to actually start naming First Nations as a specific community because they are so marginalised in this process—

**Mr Metcalfe:** We're very happy to answer questions.

**Senator O'NEILL:** Were First Nations people consulted about the \$330 million? What assessments have been undertaken with respect to the \$330 million? When were they first proposed? How does any of this \$330 million reconcile with Minister Pavey's comments about environmental vandalism? That's my final series of questions.

**Senator DAVEY:** The *Daily Telegraph* article you referenced has comments from the Barker people about talking to New South Wales.

**CHAIR:** Senator Davey, it is now your block of time, so you can continue.

**Senator O'NEILL:** Can I have an answer to that question on the \$330 million, consultation with First Nations, assessments undertaken, when they were proposed and reconciling with Pavey? That was my last block of questions.

**Dr Derham:** All of those questions really should be directed to the New South Wales government, who are the owner of the projects in question. What we do understand is that they have been consulting with their communities—Indigenous as well as other representatives of community groups. I apologise for using the general term 'communities'. That also encompasses all community representatives. They have been engaging with their communities. The proposal that we saw as associated with the \$330 million has a very comprehensive engagement and consultation plan associated with it as part of their governance of the programs and their implementation. We are assured that the New South Wales government is working with all of the relevant community representative groups and stakeholders for all of those projects.

**Senator O'NEILL:** When were they first proposed and what assessments have been undertaken?

**Dr Derham:** These projects were originally notified as part of the 36 measures. They were originally notified back in 2016-17 under the Basin Plan, and the New South Wales government has been consulting with relevant communities since that time in the lead-up to the submission of those projects. How much consultation they have undertaken is a question for the New South Wales government.

**Ms O'Connell:** There's been extensive consultation.

**Senator O'NEILL:** When did you become aware of the project's imminent announcement? When were you advised that the minister would be making these announcements? Were you involved in any assessments prior to that?

**Dr Derham:** Back in April this year, the Murray-Darling Basin Ministerial Council came together and had a strategic discussion about the SDL adjustment mechanism. The record of that meeting is on the public record. As part of that conversation, it was agreed by the basin ministers that these five projects needed to be considered to accelerate, with Commonwealth support. That was first agreed at that ministerial forum back in April this year. Subsequently we have worked with the New South Wales government to support them as best we can in this situation to ensure that there's sufficient finances available for them to progress the implementation of those five key projects within the 30 June 2024 time frame.

**Ms O'Connell:** We were working extensively with New South Wales to accelerate these projects and get agreement to get the funding agreed and rolling.

**Senator O'NEILL:** To be clear, in your assessment and engagement with the New South Wales government on these five projects, you are confident that they can be delivered in time, by the end of June 2024, and that they will deliver how much water?

**Dr Derham:** We believe that these five projects should secure approximately 45 gigalitres of the 605.

**Senator DAVEY:** I will follow up on that.

**Mr Metcalfe:** Before you start, I can provide the committee at some point with an update on the questions from Senator Roberts about carp herpes. It's just a question of whether he wants to come back or I put it on the record. I'm at your disposal, Chair.

**CHAIR:** Maybe we will wait until Senator Roberts is back in the room.

**Senator PATRICK:** Otherwise on notice.

**CHAIR:** Yes, otherwise on notice.

**Mr Metcalfe:** Thank you, Chair.

**Senator DAVEY:** I have a long list I would like to cover in my allotted time, but I will start with a follow-up to Senator O'Neill's question about the evaluation of the SDL adjustment mechanism projects. The very nature of supply measure projects is that they don't need to return an entitlement. So they don't need to return a physical volume from productive use from diversions back to the Commonwealth Environmental Water Holder.

It is all about how we manage the water, whether it's through river rules, infrastructure or the management of the Menindee Lakes scheme to get environmental outcomes. Is that correct?

**Dr Derham:** That's correct. It's about using environmental water and delivering it to achieve environmental outcomes as efficiently and effectively as possible.

**Senator DAVEY:** Under the supply measures program, when we talk about estimated savings, if we're talking about an estimated 45 gigs or an estimated 150 gigs, what we're actually talking about is not a licence volume; it's actually: we expect to get the same sort of flood inundation or connectivity or fish breeding events or bird breeding events that we would have got had we had 45 gegalitres of managed water that we can actively release at a set time of year. I'm just trying to put it in layman's terms as much as possible, because I think a lot of people think that the 605 is going to result in a licence transfer. That is not the way, under my reading, that it was ever proposed.

**Dr Derham:** That's correct. There is no transfer of entitlement to the Commonwealth Environmental Water Holder in this instance. This is about finding better ways to use environmental water efficiently, just like irrigators do, in terms of irrigation efficiencies, and achieving equivalent environmental outcomes with less water. And, in doing so with less water, that water remains in the consumptive pool for productive use.

**Senator DAVEY:** When we're talking about the rescoped projects that New South Wales is putting forward, from my reading of the *Daily Telegraph* article that Senator O'Neill references and also the ministerial press releases, we're looking at other alternatives, such as complementary measures, fishways and adjustments to the operating rules. Until we actually model those proposals, we don't really know what sort of environmental or other benefit we could be getting out of this?

**Dr Derham:** That's right. When the Murray-Darling Basin Authority undertook the determination of the 605 gegalitre SDL adjustment, it was based on the assumptions presented by the basin states, who notified the projects on how they assumed those projects would be operated in the physical system. As you go to construct infrastructure in the landscape, you need to undertake the regulatory surveys for cultural heritage outcomes, for environmental outcomes, for engineering specifications. What is actually constructed and how it can actually be operated is likely to change. The basin plan always anticipated that, hence the reconciliation step was factored in. In effect, what we're trying to work towards is achieving the Basin Plan environmental outcomes as efficiently and effectively as possible.

**Ms O'Connell:** Therefore, it will be important, when the rescope project is submitted, to look at the complete environmental outcome of that rescoped package.

**Senator DAVEY:** I'm glad you mentioned package, Ms O'Connell, because it is about the whole package. You can't actually assess just the Menindee Lakes or just the Yanko projects; you actually need to see how they all flow in together.

**Dr Derham:** That's right. The system doesn't work in isolated pockets. It's a connected system and it all works in an integrated way. So that's why it's a package, and they must all be looked at together. That's why the reconciliation considers the package as a whole and how all of the projects have come together. A variation to the Menindee Lakes project in and by itself may very well have a different impact on how the package works as a whole and other projects may perform better than we anticipated and others may underperform as well.

**Senator DAVEY:** Are you able to explain whether the reconciliation model, or the evaluation model, is based on just surface flow and connectivity or does it take into consideration things like the additional fish weirs and cold water pollution management that will result in significant environmental benefits but, maybe, in existing streamways and with existing connection levels?

**Dr Derham:** I will defer to the MDBA to talk more specifically about the method, but I can say that a number of the notified measures do have complementary measure elements as part of them. It's very difficult to draw a volumetric offset associated with some of those complementary measure type components, which is, I think, the question you have in mind. I will hand to Andrew Reynolds or a member of the MDBA team who can talk in more detail about the methodology. I think we have Tim Goodes on the line virtually, if that is who Andrew wishes to bring on.

**Mr Reynolds:** I will just ask one of my colleagues, Dr Coleman, to come into the room who might add to this in a moment. With the reconciliation model under the Basin Plan, the authority needs to take a decision at the end of December 2023 on whether or not to undertake a reconciliation. That's as a result of states being able to notify amendments to any of the projects up to that point in time. So it's at that point that we will have a clearer understanding of the full package, which is what we need to model.

**Senator DAVEY:** What was that date again?

**Mr Reynolds:** 31 December 2023. That's for the decision to undertake a reconciliation, and then the actual doing of that has to happen by the middle of 2024. The model itself looks at flow indicators, and I will ask Dr Coleman to explain that in a little bit more detail.

**Dr Coleman:** I think I missed part of your question as I was coming into the room.

**Senator DAVEY:** With a reconciliation model for the SDL adjustments, is it purely looking at flow and connectivity, or does it incorporate ways to evaluate improvements in fish breeding through fishways and cold water pollution management and riparian vegetation improvements—some of the things that used to be in the Sustainable Rivers Audit that we would monitor and that are happening within the river that may be improved through some of these projects, but will not necessarily increase flows or things like that.

**Dr Coleman:** The SDL adjustment projects are associated with flow related outcomes. The measures that are in the SDL adjustment package are designed to deliver flow outcomes. I think what you're talking about there—fishways or screens to stop fish going through diversion pumps—sit more in the class of complementary measures. They don't deliver flow related outcomes; they deliver what we call complementary measures. They're not assessed as part of the reconciliation process.

**Senator DAVEY:** While complementary measures definitely achieve good environmental outcomes, there is no way, under the current evaluation methodology, to actually acknowledge that benefit and accredit that benefit?

**Dr Coleman:** That's correct. The nature of the SDL adjustment mechanism is that it's about adjusting SDLs; it's about gigalitre returns from environmental works.

**Senator DAVEY:** That begs the question: why would you bother financing it?

**Dr Coleman:** The measures do deliver real environmental outcomes.

**Senator DAVEY:** Of course they deliver real environmental outcomes, and the Basin Plan should be about real environmental outcomes, but, from what I've just heard from you, it's not. It is only about flow, which is a singular indicator when it comes to the environment. I've spoken to fish doctors—I call them fish doctors; but I mean professors in fish ecology; who have actually said to me that flow is only one component of fish health. Talking to other ecologists, riparian management is so vitally important. Cold water pollution is vitally important. All of these things are vitally important, but, under the Basin Plan as it's written, there is no acknowledgement of those other aspects of environmental outcomes; it's all about flow, which is a very two-dimensional way of looking at environmental health.

**Dr Coleman:** That's correct. Our way of characterising it is that flow is a necessary part of delivering environmental outcomes, but it's not the only part. The SDL adjustment measures are associated with flow, so they're about the underlying foundational flow outcomes, but there's no question that complementary measures deliver outcomes as well if they complement the existing flow outcomes.

**Senator DAVEY:** I have a couple of questions on the 450 and also for Mr Taylor, the CEWH. While we're talking about the environmental flows and outcomes, I'll start with you, Mr Taylor. Earlier, Senator Roberts was asking you questions, and you were talking about the extent of what you're doing and the significant outcomes you are achieving, particularly in the lower Darling Barka and the anabranch, which are very positive. It's fair to say that you, Mr Taylor, do not operate the infrastructure, do you?

**Mr Taylor:** That's correct. We place water orders like other water users in the system and the river operators, whether they're state agencies or the Murray-Darling Basin Authority, depending on where we're operating across the basin, actually operate the rivers. We do not operate the rivers.

**Senator DAVEY:** So you then also must operate within the rules of the river operating system. For example, when the Menindee Lakes were exceptionally dry and there was no allocation on the lower Darling that was available under a general security licence, you couldn't ring up, even if you'd wanted to, and put an order in.

**Mr Taylor:** That's correct. The entitlements that have been recovered and transferred to the Commonwealth Environmental Water Holder maintain the same characteristics as entitlements held by other entitlement holders—irrigators or whoever else. If there is no allocation, we also get no allocation. If there are trade limits across certain areas for other irrigators, we operate under those same trade limits. There are no special dispensations given.

**Senator DAVEY:** When you're making decisions—you've got a vast portfolio of water now, 2,100 gigs of water across the whole basin—are your objectives spread across the whole basin or is your key objective just to get the flows out through the Murray mouth?

**Mr Taylor:** Our objectives are spread right across the basin, and I think that's very clear, even to the extent that in our annual planning process, it's built from the base up, from community input. I think, Senator O'Neill, you may be interested also to know that in our annual plan we've incorporated a First Nations statement in the front. That was developed in consultation with the First Nations. It's called the Mildura statement. That's up-front in our annual planning process to incorporate First Nations environmental priorities into our plans. We've consulted with nations right across the basin over the last couple of years to incorporate those priorities into our plan. They can be from tributaries right up into Queensland, on the border rivers, throughout the northern basin, right through the southern connected system.

**Senator O'NEILL:** We received an extraordinary submission in our Shepparton hearing around cultural water flows. That is part of the record of the committee that we were on, into jurisdictional issues around the Murray-Darling Basin. You're probably aware of it, but it was a fantastic piece of material, if you're not aware of it.

**Mr Taylor:** So our planning incorporates water from right across the basin. The water that gets to South Australia eventually has often been used a number of times on the way. It may have been used to get outcomes in the Goulburn River. It may have gone in and out of Hattah lakes and back into the river. It may have joined up with water out of one of the tributaries to hit a flow target to get fish to spawn in the main stem of the Murray before it actually gets into South Australia to start doing work. It might go onto the flood plain in South Australia and back into the river and wind up eventually in the Coorong, making that connection between the river and the Coorong.

**Senator DAVEY:** We've now had 10 years of connectivity between the lower lakes and the Coorong which has been credited to the Basin Plan water recovery. That is a significant success story, isn't it?

**Mr Taylor:** Absolutely. I think it's eight out of the last 10 years of connectivity—so there's been 10 years of connection since the millennium drought, and I think in eight of those years it may not have occurred without environmental water being in the system.

**Senator DAVEY:** Mr Taylor, you're currently watering the Lower Darling and the Anabranch, is my understanding—

**Mr Taylor:** That's correct.

**Senator DAVEY:** But it would be fair to say—after what you've just said—that you look at environmental outcomes across the whole basin. You're not releasing that water from Menindee Lakes just to send it to South Australia. You're actually going to achieve outcomes in the Anabranch and the Lower Darling?

**Mr Taylor:** Absolutely. The watering that's occurring both in the Lower Darling and in the Anabranch at the moment has been done in lock step with the community of the Lower Darling and the Anabranch, the local residents out there, and the Menindee residents as well. We're, really, striking this balance of being sympathetic and empathetic and engaged around the necessity to maintain water in the lakes, not only for the cultural and community benefits there but also for the environmental benefits of the lakes themselves and the needs and the demands of the Lower Darling. It was in a terrible state after the fish deaths, and it requires these flows to get that system going again. We've had a couple of good breeding events in there, but it's come from a very low base. We really need to get some sustained outcomes there. And the Great Darling Anabranch hasn't had water down there since 2017. So getting that system restarted—post this record drought of the north and having it disconnected for so long—is a critical thing. It's a local outcome that we're getting there. We'll get some return flows out of that into the Murray that we can use further down, but it's being driven by those needs for those outcomes in that area.

**Senator DAVEY:** Thank you, Mr Taylor, that's been very helpful. I will go to the fast-track projects, I think this is for Ms Connell—and don't move, Mr Reynolds, you don't get away with it that easy! This is my perfect segue moment. We've got a list, which Senator O'Neill very kindly read out earlier, about the fast-tracked projects

under the new—I don't want to call it a 450, because I will note again, and I think I've said it at every single estimates I've been to: the 450 is based on voluntary participation, socio-economic neutrality, so therefore 450 comes with caveats and may not be able to be achieved under those rules. The minister has said today we will deliver the Basin Plan under the legislative requirements that are there, and those—

**Senator PATRICK:** She said in full and on time, and that includes the 450.

**Senator DAVEY:** Voluntary participation and socio-economic neutrality. They're in the Basin Plan.

**Senator GROGAN:** No 450—you're not going to deliver the 450.

**Senator DAVEY:** I didn't say we wouldn't. I said we have to deliver it under those caveats, which are in the Basin Plan.

**Senator O'NEILL:** So it's voluntary—is that your argument?

**Senator DAVEY:** Voluntary participation. Tony Burke, who was your minister and who I worked very closely with—

**Senator O'NEILL:** Let's talk about Minister Pavey—you've got to give her a lead part!

**Senator DAVEY:** and I admire Minister Burke—

**Senator O'NEILL:** In or out, Minister Pavey? Have a go, I don't really mind: just volunteer or don't volunteer. It doesn't matter to the national plan!

**Senator DAVEY:** I will read it to you. It's under 'Neutral or improved socio-economic outcomes':  
... efficiency contributions to the proposed adjustments achieve neutral or improved socio-economic outcomes compared with the outcomes under benchmark conditions ... as evidenced by:  
the participation of consumptive water users—  
that implies 'voluntary'—

in projects that recover water through works to improve irrigation water ... or;  
alternative arrangements proposed by a Basin State ...

**Senator O'NEILL:** Did you just quote 'voluntary' there, or did you put that word in yourself?

**Senator DAVEY:** It says 'the participation of consumptive water users'—the participation.

**Senator GROGAN:** How does that imply voluntary?

**CHAIR:** So Labor would force a water user to participate.

**Senator O'NEILL:** I think we just saw inside the National Party room. Maybe that will give you an insight.

**Senator DAVEY:** I am just seeing inside the Labor Party party room. Labor would force water users to participate.

**Senator PATRICK:** They might go to willing buyers.

**Senator DAVEY:** amazing, I am moving on.

**Senator O'NEILL:** Now we know what the National Party really think.

**Senator DAVEY:** We have a commitment by the government—

**Senator PATRICK:** this is what it is like in the back of the Senate chamber.

**Senator DAVEY:** to continue to work towards getting towards the 450. We have that commitment; we heard that commitment today. We have heard about the fast-tracked projects earlier. We heard a lot about the Murray Goulburn project. Senator O'Neill said \$11,000 a megalitre. Were they your words? When you're evaluating those projects, do you look at the value per megalitre of an allocation or of an entitlement at that point in time—

**Senator McALLISTER:** The subsidy is providing to a special individual. That is really what it is all about in the end, isn't it, a subsidy?

**Senator DAVEY:** It is not an individual. Goulburn Murray Water is a state-owned corporation. You value the entitlement plus you look at the infrastructure and the costs of the infrastructure works at the time and then do you—

**Senator PATRICK:** Is there a question nearby?

**Senator DAVEY:** Yes, there is a question. Do you also then look at it and assess whether you would get that water any other way? For example—

**Senator PATRICK:** Buybacks.

**Senator McALLISTER:** It is like National Party economics.

**CHAIR:** Can we just not?

**Senator McALLISTER:** Yes, I will.

**CHAIR:** Thank you. Is somebody answering that question?

**Ms Connell:** Thanks for the question. As part of the assessment of the application, we assess a range of things, including whether the prospective water entitlement would be of use and value to the Commonwealth Environmental Water Holder.

**Senator DAVEY:** When you look, for example, in that Goulburn Murray district, my understanding is that most of the water entitlements in that district are actually held by Goulburn Murray Water—

**Ms O'Connell:** That's correct.

**Senator DAVEY:** So if they didn't put their hand up to participate, is it even feasible that you could get water recovery from that district?

**Ms O'Connell:** That's correct.

**Senator DAVEY:** We have these projects fast-tracked. We're now looking at the SDL adjustment mechanism, fast-tracking of the new rescopes projects. Why can't we fast-track the Barmah Choke study? This was announced in June 2019, and I am really keen to know about its progress.

**Mr Goodes:** We are continuing to work on the feasibility study around options for managing the Barmah Choke. There has been a lot of work ongoing, understanding the trajectory of sand deposition in the choke, which is a critical input to looking at subsequent options to manage, because we would need to understand what sort of capacity we will have through the river channel. We have been looking at changes in trade and demand patterns, thinking about transfers and the timing of transfers from Hume to Lake Victoria, for instance, around the system. All of that work has been ongoing. We are now working with state governments because we do run the river on behalf of the state governments in our role as the river operator. We're working with them on the consultation arrangements because management of the choke and the optimisation study will involve extensive consultation with a range of stakeholder groups—First Nations, irrigators, others that will be impacted—so we are working through that. Our anticipation is that optimisation study will report at the end of next calendar year.

**Senator DAVEY:** There was a study done back in 2010, 2011 and it is going to take another 12 months to do that again. Is that correct?

**Mr Goodes:** The earlier studies were focused on a different issue in a way. They were looking at how we managed or prevented rain rejections into the forests and the like. Now we're really looking at how we operate to deliver entitlements downstream with all of the entitlements and integrate that with the environmental water delivery. The challenges now are different to what those earlier studies investigated.

**Senator DAVEY:** Do you mean existing entitlement?

**Mr Goodes:** Yes, that's right.

**Senator McLACHLAN:** I would like to ask a question around the Lower Lakes independent science review, which was released in 2020, with the five independent experts that gave advice around the Lower Lakes, that they were largely fresh prior to European settlement and other findings. Is that still the report on which the authority relies, for its decision-making and working?

**Mr Reynolds:** The review of the Lower Lakes condition, where we had a range of experts look at the body of evidence around that, did conclude that the lakes were substantially fresh over the past several thousand years. That's piece of work is the current understanding of that history of the Lower Lakes, yes.

**Senator McLACHLAN:** Have there been any current updates to that piece of work or additional information that informed your decision-making?

**Mr Reynolds:** That piece of work was actually a review of a range of other studies that have been conducted. That's still the basis of the understanding of the Lower Lakes' historic condition.

**Senator McLACHLAN:** Has there been any other scientific opinion, to your knowledge, which has caused you to doubt the findings in that review?

**Mr Reynolds:** Certainly the condition of the Lower Lakes is a space that is contested by various different scientists and that's the nature of science in many spaces. It is about exploring differences and uncertainties. There has been other work and other information brought forward. That doesn't necessarily mean that it is better or changes the position. We obviously are interested in the best science at any particular time and we evaluate what's available to us. But the work that was done as part of that independent review still constitutes our best understanding of the Lower Lakes' condition over historic periods.

**Senator PATRICK:** Can I ask how much of the \$40 million has been expended?

**Senator O'NEILL:** We have to get more than that.

**Senator PATRICK:** If we could get a primer on that. It is a short answer; it is a number. How much has been spent, actually spent, of the \$40 million for Indigenous communities?

**Senator Ruston:** The Aboriginal water entitlements program to which you're referring, there's been a lot of work undertaken in consultation with Indigenous communities. It's subsequently been decided through those consultations and in negotiations and consultations between Minister Pitt, who is the Minister for Water and Minister Wyatt, who is Minister for Indigenous Australians, that it is best placed for that particular program to actually sit within the NIAA because they are much better placed in the management of these types of programs and in working with the bodies that sit within the Indigenous space. As an example, an organisation such as the Indigenous Land and Sea Corporation would be well placed to be making sure that the codesign process that's so important is being embedded into the commitment to the Closing the Gap process. The National Indigenous Australians Agency will be taking administrative responsibility for this program going forward to make sure that it's delivered in an appropriate way, to support the Indigenous—

**Senator PATRICK:** I just want a number.

**Senator O'NEILL:** We need a number.

**Senator PATRICK:** How much has been spent? That sounds like this is a longer—

**Senator Ruston:** The \$40 million is available.

**Senator PATRICK:** How much has been spent? I know you're embarrassed because you have spent none.

**Senator Ruston:** Senator, I'm not in—

**Senator PATRICK:** Absolute incompetence! It was announced by Littleproud in 2019 or 2018, and you've spent none, and you come here and you give waffle. I just want a simple answer as to how much has been spent. I know you don't want to answer that, Minister, because there's no excuse for the incompetence that sits behind that answer.

**CHAIR:** Senator Patrick, I don't think that—

**Senator PATRICK:** There's no delivery.

**CHAIR:** I think you're claiming you know what the minister thinks.

**Senator PATRICK:** The people who are charged with delivering the funding announcements of adjustment—

**CHAIR:** I don't think that that's helpful.

**Senator O'NEILL:** Chair, I want to ask questions about this when we come back.

**CHAIR:** When we come back.

**Senator O'NEILL:** It is important for the public record that the truth be on the record today.

**Senator PATRICK:** Zero!

**Senator O'NEILL:** Forty million was allocated. How much has been expended, Senator Ruston?

**CHAIR:** Let's go to the lunch break and we will be back—

**Senator O'NEILL:** Sorry, no, Chair. I really we should have an answer before we go to the lunch break.

**CHAIR:** To your point, this is a longer conversation.

**Senator O'NEILL:** Yes, but not this part.

**Senator PATRICK:** I asked the one question. We need an answer.

**Senator O'NEILL:** How much was expended? This is estimates. It's about numbers and dollars.

**Senator PATRICK:** I got a response: no answer.

**Senator O'NEILL:** Senator Ruston, how much of the \$40 million has been—

**CHAIR:** Let her answer, please. You've asked it several times.

**Senator Ruston:** Senator O'Neill and Senator Patrick, clearly there is a lack of understanding among those sitting around this table—

**Senator PATRICK:** It's a number.

**Senator Ruston:** about ensuring in the process of co-design. I would suggest that it might be a useful thing over the lunch break for senators who are sitting around this table to actually go and read the *Closing the gap*—

**Senator PATRICK:** Zero!

**Senator Ruston:** to understand that there is a respectful way—

**CHAIR:** Please listen to the minister.

**Senator O'NEILL:** Where's the money?

**CHAIR:** Senator O'Neill, please—

**Senator PATRICK:** Just put it on the table.

**CHAIR:** Okay. We're going to go to break, because you're not interested in listening to the minister's answer. We will be back in one hour, at 2 pm.

#### **Proceedings suspended from 13:01 to 14:02**

**Senator O'NEILL:** Perhaps I could just confirm something. Senator Ruston, in your comments just before we left, you used funeral tones when you were giving us the information about what's happened to the money that was supposedly committed to NBAN and MLDRIN.

**Senator Ruston:** Funeral tones?

**Senator O'NEILL:** Yes—like there was a death in the family. But I'd like to know how much money was committed to NBAN and MLDRIN.

**Senator Ruston:** Are you referring to the Aboriginal Water Entitlements Program—

**Senator O'NEILL:** I am.

**Senator Ruston:** that was negotiated with shadow minister Burke at the time the SDLs were agreed to?

**Senator O'NEILL:** What was the total amount?

**Senator Ruston:** \$40 million.

**Senator O'NEILL:** How much of that money has been delivered?

**Senator Ruston:** When you say 'delivered'—all of that money is available, but as to how much has actually been spent on projects that have been identified by the Indigenous communities that the money was to go to, my understanding is that none has been spent.

**Senator O'NEILL:** Since we were here, somebody's been busy at lunchtime, because there's a statement that I can release that indicates that the responsibility for the Murray-Darling Basin Aboriginal Water Entitlements Program has been transferred from the Department of Agriculture, Water and the Environment to the National Indigenous Australians Agency.

**Senator Ruston:** I told you that before we went to the break. If you check the public record, that was what I said in response to I think Senator Patrick's question.

**Senator PATRICK:** And, serendipitously, they were there, and I just asked them some questions about it.

**Senator Ruston:** I did respond before lunch to that effect. I don't necessarily think somebody's done something—I did put it on the record before lunch.

**Senator O'NEILL:** So you were always intending to make that announcement today?

**Senator Ruston:** I was just advising that the National Indigenous Australians Agency have the administrative responsibility on behalf of the government for this program. That was all I said, I think.

**Senator O'NEILL:** You did also say—well, the department said—that 'thorough consultation' had been undertaken for the movement of this money from where it was allocated to the NIAA. What consultation occurred on moving this program?

**Senator Ruston:** I might have to ask officials to provide that advice.

**Ms O'Connell:** Consultation with the National Indigenous Australians Agency.

**Senator O'NEILL:** They were not the only people engaged in this—they are now. What consultation have you undertaken with MLDRIN on this?

**Ms O'Connell:** There was previous extensive consultation with MLDRIN in relation to the Aboriginal water entitlements program.

**Senator O'NEILL:** Previous?

**Ms O'Connell:** Yes, previous, over a substantial amount of time. We can probably go through some of the consultations, if you wish—

**Senator O'NEILL:** They had a high-level of expectation that they would be intimately involved with this.



**Ms O'Connell:** The program remains, Senator. It transferred from our department to the NIAA to deliver.

**Senator O'NEILL:** When did the consultation with MLDRIN, prior to the announcement about moving this \$40 million to the NIAA, occur? When did you advise MLDRIN or consult with MLDRIN about that?

**Ms Connell:** If I might just point out, the statement says:

... the NIAA will undertake further consultation with Indigenous stakeholders to settle delivery arrangements.

**Senator O'NEILL:** But they haven't been engaging with the NIAA. They've been engaging with the department and the minister.

**Ms Connell:** That's correct. So we've—

**Senator O'NEILL:** When were they advised, or did they just hear about it when the announcement was made by default here in estimates to us?

**Ms Connell:** We've engaged with MLDRIN and NBAN over the course of the last couple of years in relation to potential delivery options for the program—

**Senator O'NEILL:** I'm aware of that, Ms Connell. I want to know: when did you advise MLDRIN and the Northern Basin Aboriginal Nations, who've been consulting on this matter with the department and the minister for the last couple of years—in your own words—that this money was being reallocated to the NIAA?

**Ms Connell:** We haven't had an opportunity to discuss the change in the program directly with MLDRIN—

**Senator O'NEILL:** So they were not consulted?

**Ms Connell:** But we discussed with the National Indigenous Australians Agency the fact that it's going to be critical for the NIAA to work closely with MLDRIN and NBAN in terms of the way the program is delivered in the future.

**Senator O'NEILL:** So you found somewhere to put the money for a bit longer. Have you transferred the \$40 million?

**Ms Connell:** My understanding is that that will be managed as part of the MYEFO budget process.

**Senator O'NEILL:** Perhaps you might be able to shed a little light on that, Senator Patrick?

**Senator PATRICK:** I've just taken evidence from the NIAA in relation to this. I asked them how much money had been transferred, and they said \$40 million had been transferred.

**Ms O'Connell:** Yes, that is the intention: the full \$40 million will transfer. I think there's a technical arrangement about when and how, but essentially the \$40 million will transfer.

**Senator O'NEILL:** I want to reiterate—again—comments that I made earlier about the treatment of First Nations people: how they are pushed to the edge and how they are put at the periphery of consultation. I can't think of a cleaner and clearer example of that being the case than this. MLDRIN and the Northern Basin Aboriginal Nations have been vital participants up and down the river, especially for the northern and southern basin in New South Wales. They've already made it clear that \$40 million doesn't touch the sides of what they think needs to be recovered for proper cultural water flows and proper engagement with them. Then today, behind the scenes, the department and the minister have been doing a double-shuffle and moving money around, and the first that MLDRIN and NBAN hear about it is the announcement made on the fly here in estimates by Senator Ruston, hastily followed by an extremely short media statement. Seriously, I ask you: if you were a representative of the First Nations people from MLDRIN or NBAN, how do you think they'd feel about being treated like this by the government—that the government of Australia treats them with that level of contempt and disrespect? I'm gobsmacked. I can't believe that this is how business is being done by this government with First Nations people. Do you have a response to that? It seems outrageous to me.

**Senator PATRICK:** After delivering nothing—

**CHAIR:** Just wait, please, Senator Patrick.

**Senator O'NEILL:** Three years of waiting for zip, and then the money gets shifted!

**CHAIR:** Hang on! If you want a response from the minister, we do need to wait to hear from her.

**Senator Ruston:** Thank you very much, Chair. There are a number of things I'd like to say in response to the concerns that Senator O'Neill has just expressed and the concerns that were expressed before lunch by Senator Patrick. One is that Sir Angus Houston has been consulting extensively over the last couple of years in relation to this particular program and particularly, in recent months, in relation to not just how the Indigenous communities of the Murray-Darling Basin wanted the money spent but designing the program in a way that would work. Clearly that consultation has been underway, so to suggest that the government is not consulting and not taking

seriously the concerns of Indigenous Australians in the design of this program is factually not correct. To suggest that somehow there is something negative in the National Indigenous Australians Agency being the lead organisation in relation to the further work that needs to be done with Indigenous communities—

**Senator O'NEILL:** I have nothing bad to say about the National Indigenous Australians Agency—absolutely not. It's not their fault what you did.

**Senator Ruston:** I'm glad you clarified that, Senator O'Neill, because in your contribution before you made it sound like that it was a negative thing that this program now sat with the NIAA.

**Senator O'NEILL:** Well, it is—the deception and doing it all behind closed doors is a very negative thing.

**CHAIR:** Please let the minister finish.

**Senator Ruston:** Obviously I have a somewhat more limited understanding of the consultation that sat behind this, but my understanding is that there was extensive consultation undertaken and that the decision for this program to sit within the NIAA was in line with the overall government policy around making sure that Indigenous Australians were at the very forefront of co-design about programs that affected them.

**Senator O'NEILL:** Senator Ruston, I know that you can't rely on anything other than what's been put in front of you, but I'm going to say that what you have been advised is almost completely the opposite to the reality.

I will go through a couple of documents that might be able to help you ask the questions of the people who provided you with such an inaccurate brief—what they were doing—because I have before me a letter that I think needs to be responded to. I say this in the context of how much of First Nations imagery, knowledge and understanding is appropriated. We've just walked through the Mural Hall to come here, which has bird's eye views of rivers through this great nation in the tradition of beautiful Aboriginal First Nations art, right? They're on our walls, but they're not in our consultations.

This is a letter from NBAN and MLDRIN, dated Thursday 1 April 2021, and it begins with these words:

**Dear Minister,**

We are deeply concerned by the recent media reports indicating that the Australian Government may fail to honor its historic commitment to support acquisition of water entitlements for First Nations in the Murray Darling Basin.

They wrote to the minister in April. That's the beginning of the letter, and it gets worse—and I'm happy to table this. They were worried. They have not yet had a response from the minister. How is that for consultation?

**Senator Ruston:** Senator, I am not in possession of all of the information. You have a letter there. I don't know the subsequent actions that have been taken by the minister's office or the department. I don't know whether the department might have more information in relation to the response to that particular letter. But what I can tell you is that Sir Angus Houston in his role—

**Senator O'NEILL:** I do have questions about Sir Angus and I'll come to that. But this is a letter where they smelled a rat. Can I go on? This is in their words—a joint letter from NBAN and MLDRIN.

It reads, 'Minister Pitt':

Comments attributed to you in recent media reports, and from Departmental staff in a Senate Estimates hearing, suggest that the \$40M could be re-purposed for spending on other non-related water-related NRM activities. We note there are a number of existing funding sources to support First Nations involvement in land and water management, but that no alternative funding sources exist to acquire water entitlements. It would be deeply regressive to the *sole* source of funds available in the Basin to support First Nations substantive water access into other activities.

They were worried about what was going to happen to this \$40 million, and they were on the money. They were watching the money.

**Senator Ruston:** As I said in my answer to your previous commentary, I am more than happy for you to table that letter; that's absolutely fine. But, in the absence of me being able to take on notice and get a response back from the minister's office—unless the officials have got something they might like to add—I do not know what has subsequently happened. I would suggest that the process of consultation is often that people will provide feedback and express their concerns to government, to ministers and to departments about particular programs, projects or policies, and then the opportunity is there to make sure those considerations are taken into account in future negotiations, consultations or considerations. You are talking at a point in time, and I do not have before me the subsequent advice in relation to how the concerns expressed in that letter have been dealt with subsequently. I would like the opportunity to do that.

**Unidentified speaker:** Ms Connell was cc'd that letter.

**Senator O'NEILL:** That's true. You're aware of this letter, Ms Connell?

**Ms Connell:** That's correct.

**Senator O'NEILL:** And there's been no response to NBAN or MLDRIN?

**Ms Connell:** As I understand it, not at this point in time.

**Senator O'NEILL:** This letter is dated 1 April. If a small business was interacting with a customer in this way, the whole thing would have moved on. This is the federal government's engagement with First Nations people on the back of statements in public places about supposed support for improving water access for Indigenous people in the Murray-Darling Basin. This is after years of consultation through the very much honoured and revered Sir Angus Houston, who engaged with MLDRIN and NBAN in good faith to develop and deliver with them a plan for their control about what would happen, in consultation with 21 First Nations people along the river.

**Senator Ruston:** I'm not quite sure what you're suggesting, Senator O'Neill.

**Senator O'NEILL:** I can't see any good faith. There was engagement by Sir Angus Houston. The minister advised about cultural water entitlements. The department were aware of the meeting. There was a joint letter of 1 April that was ignored by the minister—no response was given. There was consultation claimed by the department and by the brief you've been provided and you've been reading from, Senator Ruston. And then we find out, as you make the announcement, that MLDRIN and NBAN are finding out at the same time as you are making that announcement here. That is not consultation, Minister.

**Senator Ruston:** I'm somewhat perplexed that you would think an administrative change, which is really all that has occurred here, to make sure the administration of this particular program is embedded in the appropriate agency within the Commonwealth, is somehow a major change. I don't believe there's been any change in the program whatsoever, apart from it now being administered by the agency that has express responsibility for activities of Indigenous programs on which the government works with Indigenous communities. There are a lot of Indigenous communities in the basin, and I know that, at the previous estimates, we discussed getting consensus from all the communities about how the program should be designed and what should be done; it was a concern raised at the last estimates. The benefit of an organisation like the NIAA, particularly the organisations they work with—their portfolio bodies like the ILSC—is to make sure the design of these programs and the way they're handled is done in a way that is consistent with the principles that underlie the Closing the Gap model and the leadership model that has been set up over recent months by this government. I understand you're very keen to understand about the consultation and how this program is going to work—

**Senator O'NEILL:** I'm shocked beyond belief that this level of disregard could be inflicted on First Nations peoples.

**CHAIR:** Just let her finish, please, Senator O'Neill.

**Senator Ruston:** I am, to some degree, disagreeing with the interpretation you are placing around what has happened in the administration of this particular program that has not changed at all. I want to be very clear: the Aboriginal water entitlement program has not changed. It has merely been, for administrative purposes, moved to the agency that is best placed to work with all Indigenous communities in the Murray-Darling Basin, to make sure the program is designed in a way that will satisfy them and in a co-design way that meets those underlying principles of the Closing the Gap mechanisms.

**Senator O'NEILL:** I'm glad you bring up co-design, because it's pretty hard to be a co-designer when you write to a minister in April and here we are in October and you haven't even had a response. That is not co-design. I'm very glad for some people who tell the truth and communicate with me. With regard to the consultation with Sir Angus Houston, lest he get caught up in the crosshairs of a government changing its mind—saying one thing and doing something completely different—there was an agreement that Sir Angus Houston had made with MLDRIN and NBAN. His recommendation to Minister Pitt was that Minister Pitt should release the funding immediately and that the model they had settled on by co-design was a trust model. That has now been completely thrown out the window—those agreements and recommendations not acknowledged, not responded to—and, to date, \$40 million has been agreed to be transferred to the NIAA, and MLDRIN and NBAN knew nothing about it until your announcement here at estimates. That is not co-design. That is not consultation.

**Senator Ruston:** I suppose the reason I'm disagreeing with you is that I do not believe the administrative change is in any way reflective of a change in the program. It is not.

**Senator O'NEILL:** The one thing that remains the same is that you promised them \$40 million and you didn't deliver it, and you've re-promised \$40 million through another agency and they still haven't got it. That's one thing that has remained the same. Everything else has changed, and trust with these really vital leadership groups

of more than 21 nations up and down the river cannot survive this kind of assault by a government that positions First Nations people as a plaything in its announcement games. It's disgraceful.

**Senator Ruston:** Chair, I totally reject—

**Senator O'NEILL:** I'm not surprised.

**Senator Ruston:** the premise of the commentary we've just received from Senator O'Neill. Nothing could be further from the truth. I can speak from my own portfolio's perspective. The amazing work that is done in the spirit of co-design with Indigenous communities is the only way we are going to deliver the outcomes we want for our Indigenous Australians. To suggest otherwise is simply political grandstanding, and I am equally offended by the comments that have been made.

**Senator O'NEILL:** There is no grandstanding here. This is simply stating an outrageous reality.

**CHAIR:** Alright, Senator O'Neill—

**Senator O'NEILL:** There is one further letter I need to refer to, if I can, on this matter.

**CHAIR:** Last item, before I share the call.

**Senator O'NEILL:** The failure to respond to the letter was drawn to the attention of the shadow minister for the environment and water, Terri Butler, the member for Griffith. She wrote to the minister on 21 October, asking, on behalf of the community, for a bit of an update. She noted the letter had not been responded to, and urged the government to deliver on the promise and expend the \$40 million. Several months, she indicated, had passed since the issue was raised in the letter.

She asked for clarification about the agreement to a funding model to expend the fund, despite receiving proposals from NBAN and MLDRIN which had received support from those key stakeholders and—now I understand—were supported by Sir Angus Houston and reported to Minister Pitt. She asked for three things: advice on when the \$40 million for the First Nations and Murray-Darling would be expended, why the government failed to agree on a model to deliver the funds and when NBAN and MLDRIN might expect a response to their letter. She hasn't had a reply to her letter either.

**Senator Ruston:** Obviously I'm not the correspondence clerk in Minister Pitt's office, but the \$40 million unquestionably is available for the purposes that it was originally designed for, and that is to make sure that the social, economic and environmental benefits to Indigenous communities are able to be realised, and the economic activity that obviously they wish to realise from this water asset—unquestioned. It is absolutely essential that the design of the program is consistent with what Indigenous communities in the basin desire. In relation to whether Minister Pitt has responded to Ms Butler, I have got no idea. I can only reiterate that the government remains absolutely committed to the provision of this funding but for it to be done in a program that is designed to meet the objectives of the Indigenous communities.

**Senator O'NEILL:** The objectives of the Indigenous communities were: to be treated respectfully—

**Senator Ruston:** Absolutely.

**Senator O'NEILL:** to be actually consulted, not to have consultations reported that didn't even occur, and not to be treated with contempt by having an announcement made about the fate of their work with this government, in good faith, delivered by you—perhaps as advised, but pretty ill advised, in my view.

**CHAIR:** Senator O'Neill, do you want to table the second letter that you're talking about?

**Senator O'NEILL:** I'm happy to table the second letter.

**Senator Ruston:** Just in the interests of being absolutely clear: the change that I referred to before lunch was in relation to an administrative change of a program that remains unchanged between two government agencies, with no implications to the delivery of the program on the ground.

**Senator O'NEILL:** 'Nothing to see here'—make the announcement, pretend engagement, pretend consultation and then deliver the news publicly without consultation. It's shameful.

**CHAIR:** I think we have got to the end of that line of questioning and I think the minister has responded. We're now going to give the call to Senator Patrick.

**Senator PATRICK:** Back in May 2018 the plan was amended to take into account the SDLs, or to move forward with the SDLs, with 605 gigalitres, based on 36 projects. How long did the authority take to get to the point where it was in a position to present something to the parliament? Effectively the work was done from the start of the execution of the plan. Is that how it's worked—six years?

**Mr Reynolds:** I think the initial notification of projects commenced in 2016. I will have to check these to be confident, but I think it commenced then and final determination was made towards the end of 2017.

**Senator PATRICK:** So there is a year or two of work that was carried out. I understood that the MDBA committed to hold technical workshops in relation to the supply measures. Have any of those technical workshops been held?

**Mr Reynolds:** Yes, we have held workshops. We have held two workshops. Certainly under COVID restrictions it's been far more difficult to hold that sort of activity.

**Senator PATRICK:** I would have thought there would have been more than that, even from 2018 to the start of 2020.

**Mr Reynolds:** In 2019 and 2020, workshops were held.

**Senator PATRICK:** The announcement made last week to fast-track and rescope water savings had \$330 million attached to it. Is that new money or is that expenditure of existing money that was there for the Murray-Darling Basin plan?

**Ms O'Connell:** It is money that is available for the Murray-Darling Basin plan implementation, but my colleague Dr Derham might—

**Senator PATRICK:** So it's not new money, it's effectively an allocation of existing money?

**Dr Derham:** That's correct. There's about \$1.4 billion available for the implementation of the notified measures, and this forms part of that bucket.

**Senator PATRICK:** Will these projects substitute any of the 36 projects that were approved by the parliament?

**Dr Derham:** These are already notified projects, so they're part of the 36.

**Ms O'Connell:** It is to accelerate the projects so they're delivered more quickly and give confidence and security that the funding is available and the projects can get going.

**Dr Derham:** I can confirm the names of the projects if you'd like.

**Senator PATRICK:** No, I think I've seen them. There were 36 projects. You're saying there's no change here in the project names, you're simply expediting them in some way?

**Ms O'Connell:** Exactly—expediting them to give confidence of delivery.

**Dr Derham:** I would just make one clarification. The Koondrook-Perricoota flow-enabling works and the Mid-Murray anabranch works are subcomponents of the Yarrowonga to Wakool constraint project from New South Wales.

**Senator PATRICK:** Thank you. What's the biggest returning project—is it Menindee or is it—

**Dr Derham:** Individually?

**Senator PATRICK:** It is very difficult to describe.

**Senator PATRICK:** Yes.

**Dr Derham:** It is very difficult to describe.

**Senator PATRICK:** I know there are delays.

**Dr Derham:** The Murray-Darling Basin Authority did publish on their website their best estimate of breaking down the contributions per project. Off the top of my head, it is more likely the Menindee Lakes project.

**Senator PATRICK:** I think the constraints and hydro-cues were mentioned.

**Dr Derham:** Yes, that's correct—Andrew has just whispered that to me. The constraints projects, in combination with the enhanced environmental water delivery projects—there are seven projects collectively—probably contribute the most.

**Senator PATRICK:** With Menindee, and with the caveat you've provided, that gives us 106 gigalitres?

**Dr Derham:** Yes, that was the evaporative saving contribution associated with that notified measure.

**Senator PATRICK:** The water minister is on record now as saying that project won't go ahead in its current form. What's your intention to make up the 106 gigalitres? Is there some proposition that involves more than that or less than that? What happens?

**Ms O'Connell:** At the ministers meeting at the end of April it was certainly stated that the projects as proposed would not go ahead and that the New South Wales minister would bring back re-scoped projects for Menindee and also for Yanco. I think Minister Pavey last week commenced the consultations on the re-scoped proposals for Menindee. After those consultations, it'll then be submitted to the Murray-Darling Basin Authority

for consideration. So it is at that stage about the consultation. I'll see whether my colleague has further information to add.

**Senator PATRICK:** Sure, but I have got some of the questions. In general, how many FTEs do you have working on SDL projects?

**Dr Derham:** I'll take that on notice and come back to you very soon. I'll just get someone in the back room to confirm that. We have a small team working on behalf of the Water Division and we have colleagues in the Murray-Darling Basin Authority also.

**Senator PATRICK:** And using the same technique could you please provide the FTE for the 450 as well, if that's possible.

**Dr Derham:** I'll take that on notice.

**Senator PATRICK:** How does the change in Menindee, whatever it is—I'm assuming it's not going to be the same—affect the 480 and 640 triggers for management?

**Dr Derham:** At the moment, the notified measure changes that arrangement from 480 and 640 down to 80 and 80—which is an 80-litre drought reserve, in simple terms. At the moment, Minister Pavey is looking at her options—

**Senator PATRICK:** Hang on, I don't understand that. Wasn't it you took control when it was 640 and then handed it back when it was 480?

**Dr Derham:** That's correct. They are the arrangements that are written into the Murray-Darling Basin Agreement at the moment in terms of the operating protocols. The notified measure that New South Wales submitted back in 2017, as part of the 36 projects, was looking at investigating a change to that particular rule as part of that notified project. And that was associated with extensive infrastructure changes to the lakes as well, to be able to reduce the evaporative loss and hold less water in storage for shorter periods of time. As part of that they didn't need to hold the full 480 or 640, so they were looking at changing that ratio. That's on the MDBA's website with the notified measure.

**Senator PATRICK:** If it changes I presume the plan has to be agreed again. Is that right?

**Dr Derham:** At this point in time, Minister Pavey is out negotiating on that notified measure. She is looking at retaining the current arrangements, which are the current operating procedures at 640 and 480. She's moving away from where they were with the notified measure of 2017.

**Senator PATRICK:** If they were to change that would change the states' shares, wouldn't it? 50 to 50—

**Dr Derham:** It would. That's correct.

**Senator PATRICK:** I can't imagine Victoria ever agreeing to that.

**Dr Derham:** No, that's right. The New South Wales government are actively participating in the consultation that Minister Pavey is rolling out at the moment, because they do have that 50 to 50 share arrangement—

**Senator PATRICK:** Is that the dominant reason for perhaps not seeking to change it, because Victoria would never agree to it anyway?

**Dr Derham:** I can't comment on that. I don't know the answer to that.

**Senator PATRICK:** Ms O'Connell, you go to these ministerial meetings don't you?

**Ms O'Connell:** Yes, I was certainly there. At the one that I spoke about at the end of April—I'm just trying to reflect whether it was noted or agreed—it was noted that New South Wales were going to rescope that project. It was recognised by ministers that it was going to be rescope.

**Senator PATRICK:** Sorry, but I was talking specifically about the trigger points, because I think that will have the effect of reducing Victoria's share?

**Dr Derham:** What I can confirm is that when the original notified measures were put forward the Basin Officials Committee and the ministerial council all agreed to those projects as notified. It was in that early notification of the Menindee Lakes that the New South Wales government put forward a different operating regime. New South Wales are now out consulting, because they don't believe that they can achieve that in a realistic way, in the way that the communities would like the lakes to be operated and in terms of the environmental outcomes that can be achieved and the significance of the lakes.

**Senator PATRICK:** Where are we at with the litigation? I'm following up from, I think, the southern Riverina litigating against the MDBA in the New South Wales Supreme Court. What's the status of that litigation?

**Mr Reynolds:** The litigation progresses. The MDBA continues to defend it, as we have always said we would. It's in the discovery phase and so we just work through that. As it remains before the court, as always, what we can speak to is limited.

**Senator PATRICK:** Again, that's not how it works. Anything you say to me would have to substantially prejudice the proceeding. But let's work together on it. I understand that you lost an appeal in relation to a claim that you were in effect a New South Wales public authority. Is that correct?

**Mr Reynolds:** That was an element of the defence. That was challenged. It went to appeal. It was found in the plaintiff's favour.

**Senator PATRICK:** So you lost that appeal. What are the costs to date for your side in terms of litigation?

**Mr Reynolds:** I'll have to take that on notice but we'll get that for you.

**Senator PATRICK:** Because it sounds like there's a bit of interlocutory action going on here. Have you had any costs awarded against you at this point—for example, on the appeal?

**Mr Reynolds:** No.

**Senator PATRICK:** Not yet? It's interesting. In effect, you argue you're a New South Wales public authority—is that right? that's a summary of what you've said—under the New South Wales Civil Liability Act.

**Mr Reynolds:** For that element of the defence, given we undertake the operations of the river Murray system in very close relationship with the New South Wales government.

**Senator PATRICK:** Why would you refuse an invitation from the New South Wales parliament to appear before their inquiry into water, if your view was that you were a New South Wales public authority?

**Mr Reynolds:** That was with regard to our operation of the river Murray system. The inquiry was around flood plain harvesting, which is quite a different matter.

**Senator PATRICK:** So tell me why the Murray-Darling Basin Authority has not appeared before that committee? It has been requested, hasn't it?

**Mr Reynolds:** Yes, we did receive a request. We provided written information around flood plain harvesting and our views around that. Flood plain harvesting and the resolution of management arrangements in New South Wales is a matter for the New South Wales government, who will at some point bring that forward for assessment through the water resource planning process.

**Senator PATRICK:** Ultimately, it has an effect on the plan, and I would have thought that, in that context, you would have been able to assist that parliamentary inquiry.

**Mr Reynolds:** We did provide—

**Senator PATRICK:** Who instructed you not to appear upon their invitation?

**Mr Reynolds:** That was a decision of the MDBA and myself as the chief executive.

**Senator PATRICK:** Was your decision based on lack of relevance, or was it something a little bit similar to the South Australian royal commission, where you were exercising a comity principle?

**Mr Reynolds:** We felt that we could provide all of the relevant information through our written submission, which we did.

**Senator PATRICK:** I note that you did appear before the South Australian parliament—their parliamentary committee into the royal commission. I'm just trying to get an understanding of why you appeared before that South Australian parliamentary committee but not a New South Wales committee.

**Mr Reynolds:** I think it goes to the matter of the inquiry and the information we had to provide.

**Senator PATRICK:** In relation to the flood plain harvesting—I know this is complex—the changes that get made in New South Wales in relation to flood plain harvesting, I understand, will change the BDLs and then, in turn, the SDLs. Is that a fair—

**Mr Reynolds:** That's correct.

**Senator PATRICK:** I think we've gone through this a little bit in previous committees. I think you've advised this committee that that will not be brought to the parliament. So there's effectively a change in SDLs, but somehow that doesn't have to be brought before the parliament to change those SDLs.

**Mr Reynolds:** I do have Mr Goodes here, who is far more familiar with it. He's actually appearing by videoconference, if we can bring him on. Mr Goodes is actually based in Adelaide, so he was unable to travel here.

**Senator PATRICK:** Fantastic. We love people in Adelaide. I'll be there tonight, but self-quarantining. Did you hear the question, Mr Goodes?

**Mr Reynolds:** Yes, thanks, Senator. The baseline diversion limit is laid out. The definition of the baseline diversion limit for every water resource plan region is laid out in the schedule 3 for the Basin Plan, and that is the best, most accurate estimate or calculation by the relevant state of the volume of water as at the relevant time of the start of the Basin Plan. That's where there's capacity for new and better information to enable a better calculation of the baseline diversion limit. It doesn't mean that more water suddenly becomes available at all. Then the sustainable diversion limit is calculated as the baseline diversion limit as adjusted for the water recovery target, and it's further adjusted for the SDL adjustment mechanism project. So it's a straight pass-through as part of the accreditation of the water resource plan.

**Senator PATRICK:** You say that those changes don't have to be approved by the federal parliament.

**Mr Goodes:** That's correct when they're undertaken in that way, and that's process that's been followed for the water resource plans in Queensland, Victoria, ACT and South Australia.

**Senator PATRICK:** I'll just go to some evidence that Mr Glyde provided to the South Australian parliament. He said:

The final thing would be that in order to change the plan, you do need the agreement of all the governments, firstly, but it also has make its way through the commonwealth parliament. You might recall—you were very much involved—when there were changes made to accommodate the first part of the SDL adjustment mechanism, the so-called down water, the supply measures, that was hotly contested. Indeed, the adjustment was made on the basis of new science to the northern basin was even more hotly contested; in fact, the instrument to change it was disallowed in the first instance.

So the evidence that the Murray-Darling Basin Authority gave to the South Australian parliament is that these things don't change without parliamentary approval, and you've just raised a really big red flag, because what that means is, in fact, the SDLs can be changed to anything without oversight of the parliament. Is it changed by way of disallowable instrument?

**Mr Goodes:** Two points there: the first is, under the process that I was just talking about in relation to recalculation or clarification—better information—for the BDL, that's very specific as to what's required. So, I'd say not for any purpose. But that's just one way of the SDL being adjusted. There are other mechanisms. I think it's section 23A of the act, which is really what Mr Glyde was referring to in that evidence, which does enable the parliament to change the SDL.

**Senator PATRICK:** But in this instance you've chosen the path where the parliament is not involved, because my understanding is—having looked at the two pathways: one of them is without a disallowable instrument and the other one is with a disallowable instrument—in effect, you've carefully taken this pathway, and it worries me dearly, and every state ought to be worried, that the Murray-Darling Basin Authority can change the SDLs without parliamentary oversight, because that, I think, will be news to most federal parliamentarians.

**Mr Reynolds:** If I could just add: the pathway that Mr Goodes explained initially, where the BDL can be adjusted as a result of better and new information and the amount that the BDL is adjusted by, and the SDL also adjusts by, means that the water recovery volume does not change. So, the water that's recovered for the environment remains the same amount. What it does is reflect that at the time of the BDL we didn't understand all of the water that was being used at that point in time. As we come to understand it, it's built into the BDL. It then gets built into the SDL as well. So, it's not an ability to change the SDL and allow for additional water to be taken. It actually enables water that's always been taken to be accounted for.

**Senator PATRICK:** My final question in relation to the announcement—perhaps brain fart—by the New South Wales minister—

**Senator Ruston:** Is that parliamentary language?

**Senator PATRICK:** I'm not sure actually.

**Senator Ruston:** I think it's not technically.

**Senator PATRICK:** Really, really bad idea by the New South Wales minister—if that were to be implemented, in broad terms, what effect would that have on the plan as it stands?

**Mr Reynolds:** When you say the 'announcement', the specific part of—

**Senator PATRICK:** Where she was talking about allowing farmers to take more water.

**Mr Reynolds:** The Basin Plan sets up the compliance framework for managing within SDLs. I think there's an obligation for all of the parties to adhere to that. There are compliance powers now with the Inspector-General to ensure that states do comply. That is part of the legislation.



**Senator PATRICK:** I think it is a brain fart then. Thank you.

**Ms O'Connell:** Chair, if I may, I've got an answer to Senator Patrick's earlier question, which would save us taking it on notice, about the number of staff. This is full-time equivalents, and these are people just dedicated to these functions. There's ancillary—you can count points of people.

**Senator PATRICK:** I understand.

**Ms O'Connell:** We have 11 full-time equivalents dealing with the efficiencies projects, and 6.5 people on the supply projects.

**Senator PATRICK:** Thank you.

**CHAIR:** Thanks, Senator Patrick. Senator O'Neill?

**Senator O'NEILL:** I've got some questions relating to the National Water Grid funding.

**Ms O'Connell:** We'll just transfer to the people from the National Water Grid Authority, Senator.

**Senator O'NEILL:** Thank you. Is this a fund of \$160 million or \$108 million?

**Ms Purvis-Smith:** The Water Grid itself is a fund of \$3½ billion. You might be referencing the Connections pathway, which is within the water grid itself. I can give you an update on that. There are seven packages of \$107.9 million across the states and territories.

**Senator O'NEILL:** Thank you very much. Could I ask some specific questions about the South Arm End?

**Ms Purvis-Smith:** The South Arm End. I might get a colleague to come and assist here.

**Mr Darrough:** It's a Tasmanian—

**Senator O'NEILL:** Yes, the South Arm End Tasmanian project. I've got a couple of questions for the minister. Minister, have you had any involvement in the South Arm End project?

**Senator Ruston:** I'm aware of it. Myself, no.

**Senator O'NEILL:** Do you have limited awareness of it?

**Senator Ruston:** Yes.

**Senator O'NEILL:** Are you aware of Minister Duniam's involvement?

**Senator Ruston:** No.

**Senator O'NEILL:** According to items on the public record, Minister Duniam was involved in the announcement of a \$5 million allocation for South Arm in Tasmania. Is that correct?

**Senator Ruston:** I'll have to defer to the agency in relation to that. I'm unaware of it.

**Mr Darrough:** I'm not aware of the announcement details. I don't have the announcement details with me, but I can take that on notice. The Australian government's contribution through the Connections funding pathway is \$5 million.

**Senator O'NEILL:** There is a website [www.minister.industry.gov.au](http://www.minister.industry.gov.au) where you'll be able to find Minister Duniam's release there. It says:

Assistant Minister for Industry Development and Senator for Tasmania Jonno Duniam said the National Water Grid Connections is about delivering short-term economic stimulus through small-scale projects.

'This pipeline will allow water from the Blackmans Bay Water Treatment Plant to be delivered to the South Arm Peninsula for irrigation purposes,' Assistant Minister Duniam said.

Does that sound right?

**Mr Darrough:** Yes, Senator. The description that I've got is similar to that.

**Senator O'NEILL:** Great, we're talking about the same thing. That's the claim in the public place. Was there a business case for this project?

**Mr Darrough:** With the Connections pathway, we relied on the federal financial relations approach. These were packages of small projects; each state was invited to submit projects, with no project being more than \$5 million, up to \$20 million per state. We received proposals for each project, which included key elements of what would be included in a business case, like we do for all National Water Grid projects, but we do not receive the full business case for Connections projects.

**Senator O'NEILL:** Right. To be clear, there was a business case that you have not seen but that you relied on for some information that was presented—

**Mr Darrough:** Senator, we received an application—

**Senator O'NEILL:** From?

**Mr Darrough:** From the Tasmanian government, which has—

**Senator O'NEILL:** Embedded in that—?

**Mr Darrough:** It was information that you would expect to see in a business case. I would have to take on notice the details of the business case that underpinned it.

**Senator O'NEILL:** Sorry, I didn't hear. You might need to take your mask off.

**Mr Darrough:** Sorry, I am used to wearing a mask now. I would have to take on notice the details of any business case and information that was in that application or proposal that underpinned the advice that we provide to government.

**Senator O'NEILL:** Great. But at this stage you know that it advanced with the support of the state of Tasmania?

**Mr Darrough:** Yes. All projects that have National Water Grid funding, funded through the FFA arrangements, which is a partnership between the Commonwealth and the state.

**Senator O'NEILL:** So you'll take on notice who actually provided the business case for the pipeline, but you are confident that it was supported by the state government, who used some elements of that business case to advance it to you?

**Mr Darrough:** I don't know if the state government supported the business case. I do know that the proposal was submitted by the Tasmanian government.

**Senator O'NEILL:** Thank you. Minister Duniam stated in the media release on that announcement that the \$5 million will support agricultural production. Is that correct?

**Mr Darrough:** The advice that I have in front of me is that it will provide sustainable and reliable high-quality irrigation water for the region's primary producers and support increased irrigation and transition to higher value-value agriculture.

**Senator O'NEILL:** So primary producers and high-value agriculture, and that's what the purpose of this money is for?

**Mr Darrough:** That's the information I have in front of me.

**Senator O'NEILL:** Thank you very much. Can you actually tell me who the prime beneficiary of this project is?

**Mr Darrough:** I'll have to take that on notice.

**Senator O'NEILL:** Is there anyone here who can assist?

**Ms Purvis-Smith:** No, we'll have to take it on notice, Senator. As my colleague mentioned before, we contract with the state and territory governments for these projects rather than the individual proponent. So it will be the Tasmanian government that will then contract separately for the project.

**Senator O'NEILL:** It is federal money, though?

**Ms Purvis-Smith:** It is federal money. It is within the National Water Grid Fund—

**Senator O'NEILL:** And your department is responsible for the oversight of that expenditure and advice to the government?

**Ms Purvis-Smith:** That is correct. In relation to this, we contract with the state and territory governments rather than the individual proponents or the construction firm that will be constructing the project.

**Senator O'NEILL:** You acknowledge support for agricultural production was the claim made by Minister Duniam; you've indicated it's for primary producers in agriculture. Can I just table, seeing it needs to be tabled, the development application for the project, 'South Arm Irrigation Water Pipeline DA Information and Introduction'. It's a group called Mary Ann's Island Pty Ltd that's the proponent of the project, and that is therefore the primary user of this funding. And that is a golf course. Do you have a response to that, Mr Darrough?

**Mr Darrough:** I haven't seen the document that you're referring to. And I would need to confirm the details in there against the application that's been provided to us.

**Senator O'NEILL:** Perhaps I might be able to table that. Thank you.

**Mr Darrough:** And we will need to take on notice—

**Senator O'NEILL:** I'm sure Senator Grogan has a copy as well.

**Ms Purvis-Smith:** We can take that on notice, Senator.

**Senator O'NEILL:** About the company, okay. The document states:

With the Arm End Multi-Use Public Recreation Reserve development group (Mary Ann's Island Pty Ltd) being the proponent and initially the primary user of the recycled water infrastructure, the flow on benefits of the readily available water, to other users in the region are many and varied across sectors such as;

- Strong economic benefits, local, and regional.
- Increased regional agricultural production.

.....

Following a feasibility analysis—

the project was selected as:

... most suited to provide for the sustainable irrigation demands of a golf course ...

**Ms Purvis-Smith:** Again, we'll take that on notice. As we mentioned before, we contract with the state government rather than the proponent themselves. The state government provide the projects and we contract with the state government.

**Senator O'NEILL:** Would you have any idea how much a round of golf would cost at the golf course?

**Mr Darrough:** No, Senator O'Neill.

**Senator O'NEILL:** I believe it's in the order of \$150.

**CHAIR:** Senator O'Neill, can I just check: if these are further questions about that specific project and the department has said they don't have any information on it and they'll take it on notice, would you like to put the rest of these questions on notice?

You can ask them, but the department will continue to say, 'We'll have to take it on notice,' I assume.

**Senator O'NEILL:** Let me just proceed. You never know. They might have some oversight of this and understanding of what's going on. I note media reports that indicated it would be \$150 a round. Is the department aware of any agricultural producers who would benefit directly from a new pipeline that's going to support this golf course?

**Ms Purvis-Smith:** We will take that on notice.

**Senator O'NEILL:** How many residents will get access to the pipeline?

**Ms Purvis-Smith:** Again, we will take it on notice.

**Senator O'NEILL:** Will they have to pay to access the pipeline, and how much it will cost them per term?

**Ms Purvis-Smith:** I would have to take all of this on notice. As we've mentioned, we contract with the state government. It's the state government's proposal. We don't contract with the proponent directly, and the state government manages the project.

**Senator O'NEILL:** But it is federal money, and it's been approved to go to South Arm.

**Ms Purvis-Smith:** I will take it on notice.

**CHAIR:** This is a good point, because we have had this over the last few days of RRAT, where it's been clear that the department won't have specific information on a project that's administered by the state, who stands between—

**Senator O'NEILL:** Chair, that's okay. I'll take the answers that I can get. I can understand what they're saying to me, but I have a line of questioning I want to continue if I can, thanks.

**CHAIR:** Sure, just so long as everybody who is watching understands that the department are not being difficult; they just genuinely don't have the answers to these particular questions, because it is a state approved proponent.

**Senator O'NEILL:** I believe that that the Mary Ann's Island documentation has been delivered. It's being made available right now. Thank you very much. Given what I've put on the public record now, does the department think it's appropriate that the main beneficiary of the funding will be a golf course?

**Ms Purvis-Smith:** Again, we would need to go back and check the project and look into it, so we would have to take that on notice again.

**Senator O'NEILL:** Is the department aware of any conflict of interest declarations that were made in respect of this project?

**Ms Purvis-Smith:** I will take that on notice again.

**Senator O'NEILL:** Did Senator Duniam make any declarations of conflicts of interest?

**Ms Purvis-Smith:** Not that I'm aware. We can take it on notice and check.

**Senator O'NEILL:** Are you aware of any connections between Senator Duniam and the proponents of this project, Mary Ann's Island?

**Ms Purvis-Smith:** I'm not aware of any connections. We can take it away and take it on notice. I'm not aware of any connection myself.

**Senator O'NEILL:** I might leave it there for a moment and go to Senator Grogan.

**Senator GROGAN:** I just have a few questions about the National Water Grid Fund. As you said, there's \$3.5 billion for water infrastructure. Can you tell us how much of that has been spent so far?

**Ms Purvis-Smith:** I can. Bear with me. In the 2020-21 financial year, \$181.6 million was spent. In prior years, altogether, \$187.4 million was spent. In the year to date this year, as at 15 October, \$15.2 million has been spent. In total, adding that up gives \$384.2 million.

**Senator GROGAN:** How long has that fund been going?

**Ms Purvis-Smith:** For the water grid itself, I might have to draw on my colleague Mr Darrough for the further history. The water grid itself was set up on 1 October 2019. Prior to that, it existed in a slightly different form; it wasn't in the grant form that it is now. In its current form, my understanding is that it was set up on 1 October 2019.

**Senator GROGAN:** Was that \$3.5 billion from 2019, or was it the carry-over from the previous iteration?

**Ms Purvis-Smith:** I think it was from 2019. The previous iteration was not a grant program. It was a different type of program: it was a loan.

**Mr Darrough:** The National Water Infrastructure Development Fund and the National Water Infrastructure Loan Facility pre-existed the National Water Grid Fund. They were programs developed in response to the 2015 white paper on agriculture in northern Australia. The National Water Grid Fund came into being in the budget last year. It was a renaming to align with the national water grid authority having responsibility for it.

**Senator GROGAN:** What's the time frame that the \$3.5 billion is allocated over?

**Mr Darrough:** We have \$530 million from 2025-26 onwards which is yet to be profiled. The profile over the forward estimates is \$526.6 million this financial year, \$660.4 million in 2022-23, \$705.9 million in 2023-24 and \$654.5 million in 2024-25.

**Senator GROGAN:** Thanks for those figures to date. In addition to what has been spent, how much is currently contracted?

**Ms Purvis-Smith:** I think Secretary Atkinson said at the Senate estimates committee on Monday that \$1.9 billion has been committed.

**Senator GROGAN:** Do each of these projects have a completed business case?

**Ms Purvis-Smith:** Some of the projects are still going through the detailed business case process and some projects are funding feasibility studies as well as business cases and construction.

**Senator GROGAN:** So you would see them as being further committed to it if it all comes to fruition?

**Ms Purvis-Smith:** A feasibility study and a business case, for example, would also need the agreement of the state government. Then it's always a decision of the government to commit the funding to the construction if it hasn't already been committed.

**Senator GROGAN:** Do you have a breakdown of each of those projects, the stages they're at—whether they're at feasibility et cetera—and how much has been committed to them?

**Ms Purvis-Smith:** The National Water Grid website has a lot of detail on all of the projects that are being funded. There is a PDF up on the website that can be downloaded very easily. There is also information on each of the projects on the website.

**Senator GROGAN:** Does that material hold the historic stuff as well?

**Ms Purvis-Smith:** When you say 'historic'—

**Senator GROGAN:** For things that were committed in 2019, if something has then been completed, is it still listed there on your site?

**Mr Darrough:** Yes, our completed projects are on the website.

**Senator ROBERTS:** Some of the barrages still use log gates rather than mechanical gates or, better yet, poly tanks. Who has the responsibility to make these gates safe for staff? I'm told there is a bit of a hazard around them.

**Mr Reynolds:** The barrages are part of the assets that are managed under the joint venture for the Murray-Darling Basin Agreement. They're funded collectively by the joint governments of Victoria, New South Wales, South Australia and the Commonwealth. In turn, the Commonwealth contributes to capital upgrades. SA Water operates that system and would provide advice on the acceptability of it from a safety point of view. If there were to be upgrades identified then they'd need to be funded through the joint funding sharing arrangements. To this day, the barrages operate effectively, the operators find them safe to operate and there is no proposal for a major change to the operating mechanism.

**Senator ROBERTS:** I want to confirm my understanding. It would be up to the South Australian operator to make sure that they're safe. If they're not satisfied, raise it, and then funding would be from the joint governments.

**Mr Reynolds:** That's how it would work, yes.

**Senator ROBERTS:** Are we any closer to understanding how much water is being taken in floodplain harvesting in northern New South Wales as against how much is allowed in the plan?

**Mr Reynolds:** The New South Wales government is undertaking extensive work to better define the floodplain harvesting, to make estimates of the volume of water that's been taken historically and to put in place measures to be able to monitor and measure how much is taken currently.

**Senator ROBERTS:** When do they expect to be finished?

**Mr Reynolds:** That is ongoing work. As we spoke about today, it's been the subject of an upper house inquiry in New South Wales. I would imagine that they've still got some months of work to resolve the management arrangements of that.

**Senator ROBERTS:** So we're talking months, not years?

**Mr Reynolds:** It really is a matter for the New South Wales government, and the issues that are playing out through their parliamentary process as well.

**Senator ROBERTS:** Chair, I will be putting some technical questions on notice regarding Yanco. I won't deal with them here; they're technical. Mr Reynolds, can I clarify an earlier answer from you in respect of Lock Zero. The purpose of Lock Zero is not to create a dam across the river, which, as you said, does need to flow freely over the top to export the salt and nutrients out to sea. The purpose of the Lock, as I said earlier, would be to stop saltwater intrusion upriver in very dry conditions. I was told a story, but I can't remember the source of it. Some of the early explorers actually found salty water in the Darling. Without the Lock, that would threaten Adelaide's water supply. Are we in agreement on the purpose of Lock Zero?

**Mr Reynolds:** It was originally explored on the basis that seawater may have been let back into the Lower Lakes to deal with the very low lake levels that were present at the time of the millennium drought. With the barrages in place and effective, that circumstance of seawater progressing up the river is not going to occur.

**Senator ROBERTS:** Without the barrages, though, it would?

**Mr Reynolds:** Without the barrages, you'd have an extremely different scenario in terms of what the Lower Lakes would look like.

**Senator Ruston:** Historically, there were times before the locks and the barrages were in, when the Lower Lakes were saltwater and other times when they were freshwater; it just depended on the level of freshwater that was coming down the river.

**Senator ROBERTS:** The estuary—that's established.

**Senator Ruston:** They weren't actually estuarine. I'm not quite sure what the word is. They were somewhere between—

**Senator ROBERTS:** Yes, buried.

**Senator Ruston:** Yes, buried. But, of course, that's a long time ago, when there weren't any locks in the river.

**Mr Reynolds:** They're understood to have been substantially fresh with periods of turning brackish in periods of very low flow. The thing that is different to that historic record is that the level of extraction upstream is much greater, and therefore the fresh water that would have naturally flowed to the end of the system has been substantially reduced.

**Senator ROBERTS:** Yes. There are many things that we can discuss in that area. Water trading—Mr Reynolds, section 10(h) of the Water Act gives the authority power to make water trading rules that may provide

for the use of registers. Schedule 3 requires all water trades to be recorded on a water register. Registers will be compatible, publicly accessible and reliable regarding information on a whole of catchment basis consistent with the National Water Initiative. Why is the Murray-Darling Basin Authority not in compliance with your enabling act? Where's the water register?

**Mr Reynolds:** Water registers are held and maintained by state governments. That's part of the water trading arrangements. There's been extensive work with the states as to how those registers can be made transparent and work effectively. The ACCC made some recommendations around that. In response to that, a panel has been established that will further look at those recommendations.

**Senator ROBERTS:** So you will be looking at them? The Australian Competition and Consumer Commission, in its Murray-Darling Basin water markets inquiry final report in April 2021, found:

- 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 was confirmed at the Senate estimates questioning of the ACCC last May-June.

**Mr Reynolds:** The government's response to that ACCC inquiry is being implemented. There's a panel being formed to explore it, and I think Ms O'Connell may be able to speak to this in more detail.

**Ms O'Connell:** Not a lot more detail. I can say there was an announcement earlier this week about a lead panellist who was going to undertake further consultation on the implementability and implementation of the ACCC review report recommendations. Following that, there will be a government response.

**Senator ROBERTS:** So you're aware that you must obtain ACCC advice?

**Ms O'Connell:** Sorry?

**Senator ROBERTS:** Section 46(2) of the Water Act provides the authority must obtain ACCC advice.

**Ms O'Connell:** Yes.

**Senator ROBERTS:** Moving onto Menindee Lakes. Mr Reynolds, what's the status of the Menindee Lakes? Are they classified as a water storage like the Hume? Are they classified as wetland like the Coorong? What is it?

**Mr Reynolds:** As part of the Murray system, it's a water storage that is managed to supply water. Certainly it has a range of significant environmental values as well, but primarily its management is as a water storage.

**Senator ROBERTS:** As I mentioned this morning to the Commonwealth Environmental Water Holder, the Menindee Lakes currently hold 1,935 gegalitres I think. Looking at the flow past the Wilcannia and the Darling, it's around three gegalitres a day and has been that way for months. The Menindee storage will be topped up for quite some time. How much of that do you require in the next 12 months for environmental benefit to the Lower Darling and the Anabranche?

**Mr Reynolds:** The water that's released for environmental benefits will be a matter for environmental water holders who hold those entitlements. There are minimum passing flows required under water sharing plans. They're of the order of 200 to 300 megalitres a day for the majority of the year in the Lower Darling. There's not the same requirement in the Anabranche.

**Senator ROBERTS:** Earlier this morning, I asked the Commonwealth Environmental Water Holder if the Menindee Lakes were there to stay—I didn't get an answer; so I'll try again—subject to inflows of course, because it is variable. Are the Menindee Lakes going to be preserved in their current state as an amazing wetland, fish hatchery, store, irrigation, town water and tourism lifeline to the community? Is it going to stay as a water storage?

**Mr Reynolds:** I would expect so. New South Wales, as part of their rescoping of the project, are looking at various options around management of Menindee Lakes, but I would expect they would continue as a substantial water storage.

**Senator ROBERTS:** So there's no plan or intention or idea to change that.

**Mr Reynolds:** Not that I'm aware of, no.

**Senator ROBERTS:** It's just they've been drained twice before, and water then is taken from the southern New South Wales farmers and northern Victoria farmers.

**Mr Reynolds:** The water held in Menindee Lakes goes to underpin a range of entitlements including for Victoria, New South Wales and South Australian entitlement holders on the Murray system. Part of the operation of Menindee Lakes is to use that water in a way that's effective and efficient to meet those entitlement requirements as well as looking to preserve environmental and other issues of important conditions around the lake themselves and in the Lower Darling.

**Senator ROBERTS:** From what I was told earlier today, Hume Dam is full and Dartmouth Dam is not full but it's fairly full. Farmers in the Murrumbidgee area are not on 100 per cent allocation and farmers in northern Victoria are not on 100 per cent, but there's a lot of water flowing down the Murray.

**Mr Reynolds:** The Murrumbidgee is not supplied from the Murray storage.

**Senator ROBERTS:** No, that is right.

**Mr Reynolds:** It's supplied from the Murrumbidgee storage. New South Wales undertakes the resource management there and makes the allocation decisions, so that's really—

**Senator ROBERTS:** When there's so much water flowing down the Murray, why wouldn't farmers in northern Victoria be getting their full allocation of water?

**Mr Reynolds:** The northern Victorian higher liability water share allocations in the Murray are on 100 per cent.

The allocation policies in Victoria are a matter for the Victorian government. I'm sure they are looking at the possibility of making allocations against low-reliability water shares, but they'll be following their own allocation policy in that regard.

**Senator ROBERTS:** It's a matter for the farmers to take up with the Victorian government?

**Mr Reynolds:** The Victorian allocation policy is a matter for the Victorian government, absolutely.

**Senator Ruston:** Senator Roberts, just on that point, in relation to states making allocations during the year: I know there is a certain nervousness amongst governments about making 100 per cent allocations early on in the start of the season. The one thing that I know state governments never want to do is to be in a situation where they'd allocated a certain percentage of water and then found they had to dial it back, because the inflows hadn't been achieved. I think there's a bit of a sensitivity there. Obviously they want to give maximum allocation, but they don't want to overstep it and potentially cause farmers a problem, those who've planted crops and then found out that they aren't able to maintain them.

**Senator ROBERTS:** I understand that, Senator Ruston, and I thank you for it. It's just that farmers in southern New South Wales and northern Victoria have a lot of suspicion about the whole of the water management in the Murray-Darling Basin.

**Senator Ruston:** Sure. I understand.

**Senator ROBERTS:** Mr Reynolds, earlier on you said the Murray mouth had closed only during the most severe drought. My understanding is that there's about a kilometre stretch of, basically, sandbar and that the Murray mouth has moved along that kilometre stretch over many decades. That's based upon wind and tidal movements rather than water down the Murray. Can I see the science on that, please?

**Mr Reynolds:** The location of the Murray mouth does move. It depends on both wind and tidal movements but also the source of water flowing to the mouth. You will be aware that there are four separate structures at the barrages. Depending on where the majority of the flow is released from, we'll move the mouth up and down or along the coastline. That's something that we understand reasonably well. In operating the barrages, SAWater try to balance those flows to keep the mouth in a relatively constant position. It's really about the balance of flow, not so much the total volume.

**Senator ROBERTS:** Thank you.

**Mr Metcalfe:** Senator, you asked me about carp herpes earlier. I can advise that the National Carp Control Plan—and there's information on my department's website about the plan—is undertaking assessment of the feasibility of cyprinid herpesvirus 3, or carp herpes. That work is being undertaken by CSIRO, particularly through the Australian Centre for Disease Preparedness, down at Geelong, and the Fisheries Research and Development Corporation. The research is well advanced, and we're expecting to receive reports early next year, so I'm told. It will then be referred to Commonwealth and state senior officials for consideration. We're waiting on the research as to how it might work and how it would work, bearing in mind some of the comments that you raised earlier.

**Senator ROBERTS:** Thank you, Mr Metcalfe.

**Senator PATRICK:** What was the date?

**Mr Metcalfe:** We're expecting the material to come back before officials in early 2022. I think the website says this year. In fact, this discussion has alerted us to the fact that the website requires updating, so we'll do that.

**Ms O'Connell:** Earlier we took on notice to provide and table this afternoon an updated status on the prospective off-farm water efficiency projects. I have that to table. We were advised to table it electronically, so it should be being tabled now to the secretariat.

**CHAIR:** Thank you very much, Ms O'Connell; that's terrific. Back to you, Senator O'Neill.

**Senator O'NEILL:** I just have a couple before we go to Senator Grogan. I tabled a document a little earlier regarding Mary Ann's Island Pty Ltd.

**Ms O'Connell:** Have we got that? Is that the Water Grid Authority?

**Senator O'NEILL:** Yes. That's the ASIC statement.

**Ms O'Connell:** I don't actually have that.

**Senator O'NEILL:** I think we've provided it.

**CHAIR:** It's still being printed, so the officials have not had an opportunity to see that document yet.

**Senator O'NEILL:** Okay. We're ready to go. The document will be provided shortly, but I can read to you, and you can verify upon its receipt. Mary Ann's Island will be the recipient of the funds that we were discussing before. It is registered to Groom Kennedy in Sandy Bay Road in Hobart. That's the company address. It's the registered office of James Groom, a lawyer. I'd like to table a document from the University of Tasmania that indicates that James Groom, who was on their board, is a principal of Groom Kennedy Lawyers, the registered company address for Mary Ann's Island. I seek to table that document. I'd also like to table an article from the *Mercury* entitled 'Groom family practice and mum, Gillian, joins "the firm"'. It refers to James and the long legal pedigree of this family. I also indicate that Mr James Groom is in fact not only the director of Mary Ann's Island but the son of a former Liberal premier of the state of Tasmania. I seek to table an article 'Political pedigree behind Tasmanian premiership contender', which talks about Mr Hodgman, who is a former premier of Tasmania, and his being supported by Mr Groom backing 'the usual assessment of Mr Hodgman as a moderate or small "l" liberal'. I seek to table those three documents. Given the close connection between Senator Duniam, Mr Hodgman's office and Mr Groom, do you think it's appropriate that a conflict wasn't declared in respect of the project?

**Ms Purvis-Smith:** I think we would still have to take that on notice. We would have to go back through our records and have a look at what we have as well. As I said before, this was put forward by the Tasmanian government, rather than the proponent, and we look at projects given to us by the Tasmanian government. We don't contract with the proponent. We can take this away with us and we will take it on notice.

**Senator O'NEILL:** Senator Duniam, as a senator for Tasmania, was at the announcement, and certainly he would be aware of the political pedigree of all of these people. On notice, could you take this and respond: considering the Groom family are considered Liberal Party political pedigree, according to the article that I've tabled, is it appropriate that the Commonwealth doesn't know whether a conflict of interest was declared?

**Ms Purvis-Smith:** We'll take that on notice.

**Senator O'NEILL:** Thank you. Thank you, Senator Grogan.

**Senator GROGAN:** I'd like to ask a few questions about the five-yearly MDB assessment by the Productivity Commission, just to locate you. That assessment was delivered in December 2018 and had 38 recommendations. I'm really just looking for an update on where those recommendations are up to. At March 2020 we had 11 of them that were implemented or significantly in train, 20 that were in some form of implementation and six with no action. Can you give us an update on where those recommendations are up to.

**Ms O'Connell:** We can probably give you the electronic link, but that probably doesn't answer your question right now. We've got the electronic link.

**Senator GROGAN:** Normally, they would be reported at MinCo, but the communique in November 2020 didn't actually have any reference to it.

**Ms Connell:** I'll have to take the date on notice, but there was a joint response prepared by Basin jurisdictions to the Productivity Commission report. We can certainly take it on notice and provide you a detailed update on the progress of the various recommendations that made up that report.

**Senator GROGAN:** Have they all commenced?

**Ms Connell:** I'd have to take that on notice. My recollection is that the majority of them have commenced.



**Senator GROGAN:** I think the majority of them had commenced in 2020, with six or seven outstanding.

**Ms Connell:** If there's a particular recommendation that the senator was interested in, we can provide a more detailed update on that front.

**Senator GROGAN:** Okay. It's just that there are a couple of reports here that I want to run through in terms of where the recommendations are up to. Given there have been so many reports on the Murray-Darling—over 40, as we stand—keeping track of what's actually being implemented can be a bit challenging. So I would appreciate any detail that you can provide, particularly with the Productivity Commission, given it's such an important report that you would have some sense or some understanding of where it's up to.

I'll move on then to the final report of the independent panel on fish deaths. There were 27 recommendations to be implemented over three years. There were the 10 policy recommendations. There were then eight due by March 2020; they were given a 12-month time frame. Six were given a two-year time frame, and then three were given a three-year time frame, which won't finish until March 2022. Do you know where they're up to?

**Ms Connell:** Yes. We are in the process of implementing those recommendations. I'm happy to table a progress report on those recommendations.

**Senator GROGAN:** Thank you.

**Ms Connell:** We'll just arrange for it to be emailed.

**Senator GROGAN:** Yes. Can you just tell us if there are any that are outstanding? Or are they all in train?

**Ms Connell:** They're all in train.

**Senator GROGAN:** Okay. Were the ones that were due in 2020 and 2021 delivered on time? Were there any delays on those?

**Ms Connell:** There are quite a few recommendations in the report, so I'm happy for you to point me to the specific ones that you're interested in.

**Senator GROGAN:** You can table the document. That's fine. Then we'll go through it.

**Ms Connell:** Yes, I think that's probably the easiest way to deal with it.

**Senator GROGAN:** Then, if we have any further questions, we can come back with those. I'm going on to water trading systems now. In the budget, there was \$3.5 million committed to establish a panel to address the recommendations of the ACCC about improving the governance, structure and operation of the Murray-Darling Basin water markets. There has been a lot of conversation about markets. This panel was then put in place at the last budget?

**Ms O'Connell:** Yes, that's right. We mentioned it just a minute ago in answer to an earlier question.

**Senator GROGAN:** I must have missed that.

**Ms O'Connell:** In the budget, funding was set aside to establish the panel. The panel was announced last week or earlier this week—

**Ms Connell:** Earlier this week.

**Ms O'Connell:** Earlier this week.

**Senator GROGAN:** What was earlier this week?

**Ms O'Connell:** It was the announcement about the lead panellist.

**Senator GROGAN:** Yes. It was Darryl—

**Ms O'Connell:** Quinlan.

**Senator GROGAN:** Quinlan. Who are the other panel members?

**Ms O'Connell:** He's the principal adviser, and then there is an advisory panel. The full advisory panel has not yet been announced.

**Senator GROGAN:** When do we think that will be announced?

**Ms Connell:** We're just in the process of finalising probity clearances, but we expect it to be announced in the coming weeks.

**Senator GROGAN:** So November?

**Ms Connell:** Yes.

**Senator GROGAN:** Lovely. Has any work commenced in terms of scoping the work program for that panel, based on the recommendations from the water market report?

**Ms Connell:** Yes. There's been quite a significant amount of work undertaken. As you'd be aware, the majority of responsibility for water markets rests with the states. The department has been working closely with state water market experts over the last three months, looking at the recommendations of the report and starting to examine different issues and options and to look at what states are currently already doing. There's quite a lot of activity already being undertaken by states which is directed to some of the key issues that the ACCC raised. I understand that Victoria, for example, passed legislation earlier this week to improve transparency around the activity of larger corporates in their water market. New South Wales is undertaking measures to improve transparency, and South Australia is also moving to implement reforms. One of the critical things that we're doing is bringing states together to discuss what they're individually doing and to prepare to look at how the road map is developed.

**Ms O'Connell:** In addition to that, there are terms of reference for the work that's being done. We can have that tabled electronically for you. That covers the scope of works for that panel.

**Senator GROGAN:** Thank you. Has any work commenced on the water trading register?

**Ms Connell:** As Mr Reynolds advised earlier, the responsibility for water registers resides with states at the moment.

**Senator GROGAN:** You must get fed up saying that!

**Ms Connell:** The Constitution provides that states are principally responsible for water resource management, so it is just a fact. We have started the discussion with states. We're also in the process of commissioning some advice from an organisation called Data61 on different technology and data solutions which might be available if the states determine that a harmonised approach is the way to go. So there is quite a bit of activity happening at the moment.

**Senator GROGAN:** And are all the states in harmony on this?

**Ms Connell:** I'd have to say it's early days. Discussions have commenced. There's definitely a spirit of genuine cooperation and willingness and keenness to work together.

**Senator GROGAN:** There is a theme here. The pathway to getting these things done—like I say, we've got over 40 reports on the Murray-Darling, and a significant number of them are still 'we're working on it'. I totally get that there's the combo of the states, but the progress is very frustrating.

**Ms Connell:** I will point out that the ACCC report is 800 pages long. They had to publish an eight-page guide to the report. You have to download the report—in five clicks. It is a very thorough two-year investigation. They used their compulsion powers to get access to different information. Their recommendations are very broad-ranging—from regulatory reform, to institutional design and referral of state powers—so it's not something that can be dealt with and responded to quickly. And, as I've said before, the principal responsibility for water markets resides with the states, so we need to work closely with the states to develop an agreed solution. We're conscious that there are issues in terms of the confidence of parts of the community in the water market, so we're prioritising looking at conduct issues. We've asked the states to focus in the first instance on the conduct of brokers and also on integrity issues with the water market framework.

**Ms O'Connell:** In addition to that, when we get you the terms of reference that we've tabled you'll see that the first thing for the panel to do is to look at some of the more immediate improvements that can be delivered—that are less controversial than establishing a whole new water market. So we are trying to deal with some of those things that can be done relatively quickly and non-controversially but still have a process to deal with what are some pretty significant and substantial reform measures that have been recommended.

**Senator GROGAN:** The trading system has been talked about for some considerable time. Do you have any sense of what that time line is going to look like?

**Ms Connell:** The terms of reference, which we'll get to you shortly, give the principal adviser two critical dates. The minister has asked him to provide advice by the end of the year on actions that can be implemented as soon as possible—that states agree to—and then to provide a final road map in June next year. As I said, it's a priority for most basin states, and they're already moving to make changes to their individual systems. We saw Victoria make some key changes earlier this week, in their parliament.

**Senator GROGAN:** Yes. Let's hope that we see that laid out in the next six months. I might just go to the Water for the Environment Special Account review. How much money is currently held in that special account?

**Ms Connell:** I think it's \$1.575 billion—

**Senator GROGAN:** What's the trajectory for that spend?

**Ms Connell:** The budget papers over the forward estimates set out the funding, which I can read to you all.

**Senator GROGAN:** No, no.

**Ms Connell:** We can provide you with a page reference. I'll get that for you in a moment.

**Senator GROGAN:** Thank you. The review of the Water for the Environment Special Account was due on 30 September 2021?

**Senator Ruston:** We've been through all that.

**CHAIR:** Just a couple more minutes, Senator Grogan.

**Senator GROGAN:** I'm just going through my questions, some of which have already been answered—that's fine; I'm done.

**Senator Ruston:** Chair, would it be possible to provide a little bit of additional advice to some questions that Senator O'Neill was asking earlier in relation to the South Arm project?

**CHAIR:** Terrific.

**Senator Ruston:** I have been advised that, of the water that's to be conveyed by that particular pipeline, 76 per cent is actually going to agricultural and horticultural outcomes, but apparently the project also seeks to deliver an environmental outcome, because the water that is being diverted into that pipeline is currently going into the Derwent River and causing environmental damage.

Also, Senator Duniam has indicated that, as far as he is aware, Premier Hodgman had no involvement. He said that at the time he worked for Premier Hodgman he had absolutely no knowledge, it was never raised when he worked for the Premier, and he certainly does not believe that there was any conflict of interest in his support of the project. He also indicated that it was his understanding that the local member, Ms Collins, the shadow minister for agriculture, was also supportive of the project, and he was interested to know whether the Labor Party still remained supportive of the project, because that was his understanding.

**CHAIR:** I think that brings us to the end of our—

**Senator O'NEILL:** Could I ask a quick question to clarify this media statement? When was that drafted?

**CHAIR:** What statement is that?

**Senator O'NEILL:** The media statement with regard to the Aboriginal entitlements program.

**Ms O'Connell:** I'll have to take that on notice and come back and tell you.

**Senator O'NEILL:** When was it scheduled to be released? Why was it released today? Is it a statement from the department or a statement from the minister?

**Ms O'Connell:** It's a statement put up on the department website.

**Senator O'NEILL:** So it's a statement from the department, not from the minister?

**Ms O'Connell:** Yes.

**Senator O'NEILL:** Can you take it on notice why the minister didn't release a statement on this important issue? Can you take it on notice when the media report was first drafted?

**Ms O'Connell:** Yes, I will.

**Senator O'NEILL:** And if it was actually created in the lunchbreak in the estimates hearing.

**Ms O'Connell:** I'll take that on notice.

**Mr Metcalfe:** We'll take it on notice.

**CHAIR:** Thank you very much. That brings us to the end of the section on the Department of Agriculture, Water and the Environment. We say farewell and thanks to Minister Ruston and the department officials.

### **Inspector-General of Water Compliance**

[15:46]

**CHAIR:** Welcome. I invite you to make a brief opening statement.

**Mr Grant:** This is my first appearance as the inspector-general since the powers came into place and we were stood up, on 5 August. We have now been operating for 11 weeks. We have the powers, we have the people, we have the budget, we have our plan with its priorities and we have established our independence as per the act. I'd just like to thank the secretary and our First Assistant Secretary for Compliance and Enforcement Division, Peter Timson, for assisting us and constantly checking and ensuring that we have everything we need to perform the role and functions of the inspector-general. We're very happy to take your questions. We have seven significant reviews and reports underway in regard to the Basin Plan and water compliance, with three planned audits soon to commence as part of our 2021 work plan. We currently have five investigations underway. As promised, we've hit

the ground running. We've been in operation in totality during a lockdown period, which hasn't been ideal, but the 29 people that we have in the team currently—15 male and 14 female—are doing an outstanding job, and we're ready to continue to crack on with the work. We are happy to take your questions.

**Senator O'NEILL:** Thank you very much, Mr Grant. I think there's been one estimates session happen between when I saw you last and today, and I think legislation to give you your powers was imminent at that time. I was listening to what you were saying, but I was always responding to an email. I want to go through the set-up along the river. It was of interest to find out that you were going to have sites along the river where you activated a workforce. You've spoken about the 14 women and 15 men who are now the 29 people out on the ground. How many FTEs is that?

**Mr Grant:** We have 29 FTEs, but we have a number of contractors in addition. The total number of people as part of the office is 33 and there are a number of vacancies that we are currently looking to fill.

**Senator O'NEILL:** How many people are actually on the ground?

**Mr Grant:** 29.

**Senator O'NEILL:** And what is the number of vacancies that you are yet to fill?

**Mr Grant:** We've got three contractors on top of that, so I think the balance is three.

**Senator O'NEILL:** So, in toto, you'll have 32 people on the ground plus yourself?

**Mr Grant:** That's my understanding. I'll double-check those figures and give them to you.

**Senator O'NEILL:** Thank you. Where are these people allocated along the Murray Darling Basin—in what offices?

**Mr Grant:** We currently have two officers at Goondiwindi, one at Narromine, three at Mildura and two at Loxton. Those are field officers. There are also offices in Canberra, where there are 12 currently attached; in Adelaide, where we have three currently attached, in Brisbane, where we have one currently attached; in Sydney, where we have one currently attached; and in Albury, where we have four currently attached.

**Senator O'NEILL:** You made a distinction between field officers and Canberra, Adelaide, Brisbane and Sydney. Are the four officers at Albury field officers as well, or are they admin?

**Mr Grant:** No. There is one field officer position at each office along the basin. The other positions carry out other functions in the office.

**Senator O'NEILL:** I'm trying to get the shape of who's doing what and where. The five field offices are at Goondiwindi, Narromine, Mildura, Loxton and—

**Mr Grant:** Albury.

**Senator O'NEILL:** There is one field officer at each one?

**Mr Grant:** Correct.

**Senator O'NEILL:** So Albury has four, but there is only one field officer. There is one field officer in Loxton, one in Mildura, one in Narromine and one in Goondiwindi?

**Mr Grant:** Correct.

**Senator O'NEILL:** So there are effectively five field officers out of the 32?

**Mr Grant:** Yes, but the director of field operations is also based at Goondiwindi.

**Senator O'NEILL:** That's the second position?

**Mr Grant:** Yes.

**Senator O'NEILL:** Okay. They've got a lot of river to cover as field officers. My next question is: are those field officers living in those communities, or are they FIFO workers?

**Mr Grant:** No, they live in the communities, and we recruited from the communities.

**Senator O'NEILL:** Thank you very much. So there are five living in community. Were these officers recruited solely for the inspectorate, or have they been operating as part of the department and now been seconded to you?

**Mr Grant:** No, they've been directly recruited to the inspector-general's office for this role, a specifically designed role. They're all new employees.

**Senator O'NEILL:** Thank you very much. You indicated previously that you were doing three days official work per week and that your income, as I recall, was roughly \$200,000; I can't recall the exact number. But you

also indicated, if I recall, that you were doing many more hours than your allocated three days. What's the current situation?

**Mr Grant:** I was contracted for around that \$200,000 figure, but I paid tax and superannuation out of that, so that wasn't the net salary. But I'm now full-time.

**Senator O'NEILL:** Okay. What does that mean for your salary now?

**Mr Grant:** I'd have to provide that to you. I just don't know it offhand. I'm happy to provide that.

**Senator O'NEILL:** Okay. But it would be more than what it was before, because now you are working full time in the role?

**Mr Grant:** That's correct.

**Senator O'NEILL:** Thank you. Do you have administrative assistants in your job, and where are you operating from?

**Mr Grant:** I am mobile, but I live on the Sunshine Coast in Queensland. I am mobile—when I can be, with border restrictions. I have a car being provided, which I haven't received as yet. I will operate out of the offices that have been established throughout the basin. I don't have a standalone desk. We have one executive assistant between the three executives—me and the two deputies. The deputies are Canberra based, and she's based in Canberra.

**Senator O'NEILL:** One of the two in Canberra is your EA?

**Mr Grant:** The executive assistant for me and the two deputies. She services the three of us.

**Senator O'NEILL:** And the two deputies are Mr—

**Mr Grant:** Mr Blacker and Ms Leopold, who have joined us.

**Senator O'NEILL:** Great. I can barely see their names on the screen, but I've got it now. Okay, I've got the shape of the organisation. Do you expect to grow the number of field officers, given that this is an inspectorate rather than a data management organisation? A lot of the staff are not on the river.

**Mr Grant:** The staff are multiskilled. They're investigators. They perform auditing functions. There's communication work. So there's a whole range of skill sets. Where they're located isn't lined up with their skill sets, and they all have the ability to travel throughout the basin.

**Senator O'NEILL:** You indicated that you have five matters on foot. Are you investigating or prosecuting? What is the status of the five matters that you raised in your opening statement?

**Mr Grant:** Yes, there are five matters that are currently under investigation.

**Senator O'NEILL:** Are they general investigations to gather data—general inspections of five different regions—or are they five specific investigations based on intelligence or concerns?

**Mr Grant:** They are five specific investigations regarding intelligence or concerns. The others you referred to are contained within the seven reviews or reports that are underway over broader auditing and assurance issues for the Basin Plan and water compliance.

**Senator O'NEILL:** Could you give me the seven reviews that are underway? You said 'auditing'. Is that related to water trade transfers or auditing of metering?

**Mr Grant:** Of the current seven, the first is on state compliance and enforcement systems. It is a consultative assessment, which we are calling the Pearson review. The second is on the Commonwealth Environmental Water Holder. It is a consultative assessment. That's in draft status. The third is on the Murray River and lower Darling River operations. It's a consultative assessment which is just commencing; it's just finished being contracted.

The fourth one is on New South Wales metering implementation assurance and lessons learned. No. 5 is interstate trade in the border rivers; that's an accounting audit regarding water transfer. No. 6 is on the Goulburn-Murray Water disclosure obligations; it's a compliance audit. And No. 7 is the maximum of overland flow in the Lower Balonne in Queensland, right on the border—it's an assurance review.

**Senator O'NEILL:** So that's your seven. Are you doing any review of what the Queenslanders call 'overland flow' and what the New South Welshmen and women call 'floodplain harvesting'? Are you doing any oversight review interrogation in the northern basin in New South Wales?

**Mr Grant:** Yes, we are. Mr Blacker can provide details on that review, if you'd like them.

**Senator O'NEILL:** Thank you. Is that one of the seven reviews, Mr Blacker, or is that an additional one?

**Mr Blacker:** No, it's additional. At the moment we have published on our website the three priority areas for our first 12 months. The first one is about an effective approach to water compliance; the second priority area

relates to water metering and measurement—that's the piece in relation to measurement that the inspector-general just referred to, and I'll come back to give more detail on that; and the third is in relation to managing increasing groundwater use.

We're doing a number of different things in relation to the measurement priority. We've requested data from both New South Wales and Queensland—in fact, we requested it from all jurisdictions—in relation to the status of measurement of floodplain harvesting and overland flow. We're waiting on that data to come through from the states. We're also, as the inspector-general said, looking to undertake an audit in the Lower Balonne of overland flow arrangements within that water resource plan area in southern Queensland.

**Senator O'NEILL:** Thank you. Mr Grant, I'm sure that you have interactions with Minister Pavey. She has described what's going on with the Murray-Darling Basin Plan and its implementation as 'environmental vandalism'—I believe that was the term. What's your view of Ms Pavey's declared position and her consequent interaction with you, given your time in the role as inspector-general?

**Mr Grant:** I don't share her view. Ministers and all parliamentarians are entitled to whatever views they like, whether they're right or wrong; but her view on that matter is a concern or an impact on my role as independent—

**Senator O'NEILL:** Does it—

**Mr Grant:** and clearly focused—

**Senator O'NEILL:** Does it alarm you that she appears to have a very, very different view about the capacity for New South Wales to get on board with the targets that have been set for 2024 to that of other leading ministers who are engaged in the Murray-Darling Basin Plan and its implementation?

**Mr Grant:** I have certainly noted her views, but they won't deter me from the [inaudible] I have chosen to undertake.

**Senator O'NEILL:** Without compromising the five investigations, can you please give us any details that you can?

**Mr Grant:** There are a couple where I won't be able to comply with that because of the sensitive nature of—

**Senator O'NEILL:** I accept that and thought that might be the case.

**Mr Grant:** We'll do what we're able to—when we're able to we'll provide what detail we can.

**Senator O'NEILL:** You have five investigations underway: where are they located along the river, in general? Are they concentrated in one area or are they spread across the whole river?

**Mr Grant:** No, they're not just about the extraction of water for private use which you're referring to. That's a primary jurisdiction of the states. Their investigations and the status of them are on their individual websites. These are relative to other subject matters, which I can't disclose without compromising those investigations.

**Senator O'NEILL:** Metering is one, which is very important, and there are also significant concerns about corruption in the water market.

I'd just remind you—I'm sure you're well aware, Mr Grant, as a former parliamentarian—that committees can take evidence in camera. I urge you to take the earliest opportunity to brief this committee on what is going on so that we can do our job as parliamentarians and be across the issues and support communities where they need to be supported.

I've got two more questions, if I may. One is with regard to your role as you see it in terms of interactions with and prioritising First Nations people and a responsibility for cultural water, because today has been a black day, a very poor day, in terms of the engagement with First Nations people on the Murray-Darling Basin Plan.

**Mr Grant:** Sorry—what's the actual question?

**Senator O'NEILL:** What's your priority? What are you doing with First Nations? How much of a priority is it for you?

**Mr Grant:** There is a high level of engagement, of which I've undertaken a significant amount as interim inspector-general. Given the border situation, unfortunately I haven't had the opportunity to do as much in the past 11 weeks as the inspector-general. But I have very strong relationships with Indigenous communities throughout the basin, and I'll continue to work with them on matters of compliance and oversight that fall within my jurisdiction. But I'm not responsible for policy or programs relative to some of the discussions.

**Senator O'NEILL:** Have you sought to employ, whether in a full-time role or in a contractual role, with their particular knowledge, any representatives of MLDRIN or NBAN, who represent more than 21 nations in the state of New South Wales and northern Victoria?

**Mr Grant:** We have already undertaken a specific process to employ Indigenous persons utilising the department of agriculture. The department has a program where they have a pool of candidates. We were unsuccessful in that venture, but with the vacancies that we currently have we are looking at Indigenous employment in locations throughout the basin as part of—

**Senator O'NEILL:** Have you engaged with MLDRIN and NBAN—

**Mr Grant:** Yes, I have.

**Senator O'NEILL:** about a nomination from them to fill those roles? There have been a lot of assertions of consultation, and one of the things that really is getting up the nose of people is that their knowledge is being captured, exploited and expressed as a useful consultation but they're not getting paid for any of the knowledge, and neither are they being paid for the many, many occasions on which they're advancing and sharing their knowledge. So, I urge you to engage, particularly with MLDRIN and NBAN, to make sure they're not cut out of all the processes anymore.

**Mr Grant:** They're not cut out. I have a good relationship with both bodies and representatives from those bodies. In fact, one of them was on my interview panel for the field officers positions. Unfortunately, at the last minute he was unavailable, so we proceeded with them. But I used the initiative to include a MLDRIN member on my interview panel for the field officers. That's my commitment to Indigenous employment, as a demonstration.

**Senator O'NEILL:** I did have one more question. Arising from evidence that we received in our hearing in Shepparton was a statement about metering—

**CHAIR:** Just while you're looking for that, Senator O'Neill, I will congratulate you, Mr Grant, for that very proactive and positive approach to engaging with traditional owners in the Murray-Darling Basin and particularly the job opportunity, because that's practical and a great step forward to that inclusion. I'm sorry that person wasn't able to take up that role, but no doubt you'll have other opportunities in the future. So, you're to be commended for doing exactly what it is that we've talked about today. The secretary talked earlier about communities. That includes all our communities in the Murray-Darling catchment. So, that is terrific.

**Senator O'NEILL:** I actually have found the quote. I note that you've indicated that water extraction is—you've specifically said—a key responsibility of the states, in your response to me today.

**Mr Grant:** I said it's the primary role of the states, and we're the regulator of last resort, as per the legislation.

**Senator O'NEILL:** Can I express some concern that this gap between the states and the federal observation is a problem—a big problem—in the delivery of the Basin Plan, and that, while metering might not be the No. 1 thing on your list, this is the sort of comment that we are getting when we go out on the ground. This is from Ms Akers in the Shepparton hearing on Thursday 6 May, and I just want to give voice to her words:

The key learning about metering is that there's metering and there's metering, because we also have some metering in South Australia. The metres are only looked at once a year. So we would argue that that's not really accurate metering. Whereas here in Victoria we prefer to see metering via telemetry so it's computer read. You're not relying on the farmer to go down to their paddock once a year and check. What has tended to happen is we see overuse occur in South Australia. Their farmers then have to top up their accounts because they've overused. That has a huge impact on the water market because you'll see a massive spike. If you look at the graphs of people participating in the market you can usually see the spike when South Australians have to enter the market to top up their overuse. I would caution—yes, we all say we want metering but let's be clear, there's a big difference between metering.

And, when I mentioned to her that there's a big difference in access to telemetry and said that that had been put to us in the northern basin, Ms Akers said: 'I bet it has!' That contempt, that concern, that sense of the massive gap between the practical knowledge of people on the river and the methods of assessment, which you say are rightly a big priority for the states, and then your capacity to be an inspector and have credibility, I would put to you, Mr Grant, go right to the quality and capacity of metering, to get some accuracy around the numbers—not just the trades but the amount of water that's moving in and out, with or without purchase, with regard to the river, to say nothing of environmental and cultural flows. So do you have a response for me with regard to metering and this observation role that you have?

**Mr Grant:** Absolutely. I acknowledge the sentiment that you've just put on the record there, and it's one that is held across the basin. There are some myths in relation to what is metered and what is not. There has been significant advancement in metering, particularly in the northern basin, and that's the great work of the Natural Resources Access Regulator of New South Wales, led by Grant Barnes. I convened the first ever regulators leaders forum two weeks ago, where metering was a critical agenda item, where we were looking to work collectively. It was the first time that meeting had been held, to work collectively across the basin, to achieve

consistency in metering as well as all regulatory matters. So we have a number of matters that we are now working on collectively, together, hopefully to advance and improve that situation.

**Senator O'NEILL:** On a different topic: the minister for water at the time of this announcement in August 2019, of your Inspector General role, indicated that you would have the capacity to refer matters to the national Integrity Commission. Have you been consulted on any legislation to establish an anticorruption commission, which was promised more than a thousand days ago?

**Mr Grant:** No, I have not.

**Senator O'NEILL:** Thank you.

**CHAIR:** Thank you, Senator O'Neill, Senator Grogan, Senator Roberts, Senator Davey—

**Senator ROBERTS:** No—

**CHAIR:** I'm sorry. Do you have a question?

**Senator ROBERTS:** Yes, I have.

**CHAIR:** I apologise.

**Senator ROBERTS:** I gave you the indication a while ago that I didn't, but—

**CHAIR:** Good—it wasn't just me.

**Senator ROBERTS:** No, you're on track.

**CHAIR:** I'd dropped the ball previously today.

**Senator ROBERTS:** Congratulations on your appointment, Inspector General.

**Mr Grant:** Thank you, Senator.

**Senator ROBERTS:** I would like to know, just broadly, a few things. First of all, with what you learn in your job, will you be able to make recommendations to the minister and to the parliament on future legislation?

**Mr Grant:** We have a voice to the Basin Officials Committee, which is the primary source of our findings, whether it's an inquiry or an oversight function, when we do a report. So, yes, those avenues are available to us. Whether they're legislatively [inaudible] depending on whether we are requested to do a specific inquiry or not or whether I initiate such an inquiry, given the concern across the basin that necessitates that.

**Senator ROBERTS:** So would it be possible for you to translate what you see as a need for better regulation to the right people?

**Mr Grant:** Absolutely. That's why I formed the regional leaders forum—to get the head of every regulatory body in each of the jurisdictions together so we're working on this collectively. We're stronger as one rather than having disparity in standards or inconsistency, which drives down a lot of trust and confidence across the basin.

**Senator ROBERTS:** Regarding flood plain harvesting in northern New South Wales, how long will it be before you have a good handle on that, and what is needed?

**Mr Grant:** Daniel Blacker's an expert in this field. He'll be able to give you an up-to-date answer.

**Mr Blacker:** There are a few different elements in relation to flood plain harvesting. The licensing component is subject to an upper house inquiry in New South Wales. As a Commonwealth inspector-general's office, we're predominantly concerned with the sustainable diversion limit and compliance with the basin plan. For us, it's less about how New South Wales gets to compliance within the SDL and more about getting to compliance with the SDL.

There were a number of questions throughout the day relating to measurement of flood plain harvesting. We think that's a really critical and important component of the reforms. A lot of focus and attention tends to go on the licensing component but, equally, we've got a priority for measurement. We've been seeking data from the states to understand the progress of those reforms not just in New South Wales but also in other jurisdictions that have reforms of a similar nature for overland flow. We're currently waiting for those responses to come through from the states to get some of that data. Alongside that, we're taking a close look at the lower Balonne, which has been doing this for a long time. We want to understand how that's being measured and if there are any positives or lessons that can be taken from that region to look at how it might be done elsewhere.

For us, in terms of the basin plan and SDL compliance, being able to move from a modelled take to a measured take is a critically important step and it's one that we're encouraging. We're quite clear that we would like to see that happen as soon as possible. Under the compliance compact, which was signed by all jurisdictions in 2018, those deadlines were at the end of the calendar year 2022, particularly for Queensland—I'd have to check the New South Wales deadline. New South Wales has been pursuing that as part of its water resource plan submissions to



the basin authority, and that has been occurring ahead of that 2022 deadline. We see that as a critically important piece, hence it's one of our priorities for our first 12 months of operation.

**Senator ROBERTS:** I'm very pleased to hear Mr Blacker talking so much about measurement because I can't see how, in any plan—even for one valley—there can be any confidence in the plan and its implementation if there's no measurement. When you've got such a huge region like the Murray-Darling Basin, and so many diverse and complex regions within the basin, it's impossible. It's fundamental for trust and it's fundamental for fairness to have that measurement, so I'm so pleased to hear you're focusing on that. From what I've seen with Cubbie, they've done a very good job of not only harvesting the water but also measuring the water. It gives people who go there a lot of confidence that they know what the hell they're doing.

**Mr Grant:** That is a priority of this workplan because of the voices of opposition. The benefit of the interim period in which I undertook the position of inspector-general was that it gave us the advantage to hear properly the concerns and then frame up the work to address those concerns. I agree with you reference to Cubbie. There are lots of myths about it and lots of criticism or cynicism, but when they're reporting their water data to the department every 15 minutes, it's quite impressive to see on the ground. It debunks a lot of those myths.

**Senator ROBERTS:** I was going to ask a question about water trading, but let's wait until you get the data. I thank you very much and I'm very happy to hear what you've just said.

**CHAIR:** That brings us to a conclusion. I thank Minister Ruston and all witnesses who have given evidence to the committee today. I thank all the departmental officials and the Secretary. I also thank Hansard, Broadcasting and the secretariat.

**Committee adjourned at 16:20**