



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON ENVIRONMENT,
COMMUNICATIONS AND THE ARTS

ESTIMATES

(Additional Budget Estimates)

FRIDAY, 22 FEBRUARY 2008

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**SENATE STANDING COMMITTEE ON
STANDING COMMITTEE ON ENVIRONMENT, COMMUNICATIONS AND THE
ARTS**

Friday, 22 February 2008

Members: Senator McEwen (*Chair*), Senator Bartlett (*Deputy Chair*), Senators Birmingham, Kemp, Lundy, Parry, Webber and Wortley

Senators in attendance: Senators Allison, Birmingham, Joyce, Ian Macdonald, McEwen, Lundy, Siewert and Webber

Committee met at 8.04 am

ENVIRONMENT, WATER, HERITAGE AND THE ARTS PORTFOLIO

Consideration resumed from 20 February 2008

In Attendance

Senator Wong, Minister for Climate Change and Water

Department of the Environment, Water, Heritage and the Arts

Executive

Mr David Borthwick PSM, Secretary
Ms Anthea Tinney, Deputy Secretary
Mr Gerard Early, Deputy Secretary
Mr Mike Callaghan, Deputy Secretary
Dr James Horne, Deputy Secretary
Mr Mark Tucker, Deputy Secretary
Dr Diana Wright, Executive Policy Adviser

National Water Commission

Mr Ken Matthews, Chief Executive Officer
Mr Gary Bullivant, Chief Financial Officer
Ms Kerry Olsson, General Manager, Water Reform Group
Mr Matt Kendall, General Manager, Water Science Group

Water Reform Division

Mr Tony Slatyer, First Assistant Secretary
Mr Mark Carruthers, Director, Budget and Finance Section, Water Group

Water Efficiency Division

Mr Malcolm Forbes, First Assistant Secretary

Water Governance Division

Mr Ian Robinson, First Assistant Secretary
Mr Steve Costello, Assistant Secretary, Water Smart Programs Branch

Policy Coordination Division

Mr Malcolm Thompson, First Assistant Secretary

Mr Sean Sullivan, Assistant Secretary, Portfolio Policy and Advice Branch

Mr Peter Webb, Director, Budget Strategies Section

CHAIR (Senator McEwen)—Welcome everybody, again. We are continuing the examination of the Environment, Water, Heritage and the Arts portfolio in accordance with the agenda. We are examining outcome 3, Australia's water resources. Under standing order 26, the committee must take all evidence in public session. This includes answers to question 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 that 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 discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth or of a state shall not be 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. If a witness objects to answering a question, the witness should state the ground upon which the objection is taken, and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. Any claim that it would be contrary to the public interest to answer a question must be made by the minister, and should be accompanied by a statement setting out the basis for the claim. An officer called to answer a question for the first time should state their full name and the capacity in which they appear, and witnesses should speak clearly and into the microphones to assist Hansard to record proceedings. Mobile phones should be switched off. I welcome Senator the Hon. Penny Wong, Minister for Climate Change and Water, and portfolio officers. Minister, do you wish to make an opening statement?

Senator Wong—Just two points. First, I apologise for being a couple of minutes late to the committee. I hope there was no inconvenience. We have had a range of media matters to deal with this morning, and these delayed me just a couple of minutes. I understand also that Mr Thompson does have an additional clarification to some evidence given at the previous hearing of the committee.

National Water Commission

CHAIR—I therefore call officers from the National Water Commission and the relevant departments to the table. I remind witnesses, for the benefit of the Hansard record, when they first speak they should identify themselves and the capacity in which they are appearing today. I invite Mr Thompson to make an opening statement on behalf of the department.

Mr Thompson—Thanks, Senator. In a response to a question at additional estimates on 19 February 2008, Dr Tony Press of the Antarctic division of the department stated that there had been three A319 flights associated with the government's undertaking to monitor the Japanese whaling program. There have, in fact, been two flights.

CHAIR—Senators, I remind you that we have only two hours this morning, and I understand that there are many questions, so if we can stick to the relevant topics that would be much appreciated by everybody.

Senator BIRMINGHAM—Certainly, Chair. It is a very important issue, and there are many relevant topics. At the outset, my understanding is that at the time 2006 was the driest year on record across the Murray-Darling catchment basin. How did 2007 finish up?

Mr Slatyer—I stand to be corrected by the experts, but my recollection of advice from the Bureau of Meteorology and the Murray-Darling Basin Commission is that 2007 was drier than 2006 as a calendar year, and therefore it would have been the driest year on record.

Senator BIRMINGHAM—On current flows, what percentage of normal or average flows are reaching (a) South Australia and (b) the Murray mouth please?

Mr Slatyer—We would have to take that on notice.

Senator BIRMINGHAM—Could you also take on notice and please provide me with the levels of allocation and restrictions that exist in each state and jurisdiction across the basin.

Senator Wong—Can I just clarify that? Obviously, we will do our best to facilitate that, but you would be aware that those decisions are taken by state governments.

Senator BIRMINGHAM—Indeed, I understand that they are taken by state governments, but I would have thought that the agency would have a fair grasp of what each was.

Senator Wong—Yes, we will.

Senator BIRMINGHAM—Minister, how many meetings have you had with the Victorian Premier and/or Victorian water minister regarding the National Plan for Water Security?

Senator Wong—As I have made clear in the press, unlike the previous government, we are committed to getting agreement with Victoria. You might recall that your government announced the \$10 billion plan on 26 January, and when you lost office in November you had not come close to getting an agreement with Victoria. I had a brief discussion in Bali with Premier Brumby. I had a meeting with Premier Brumby and Minister Holding, the date of which I cannot recall at this point, although I could probably find it. That was a political level meeting. I have a further meeting with Minister Holding scheduled on Monday.

Senator BIRMINGHAM—Premier Brumby was in Bali?

Senator Wong—I just said that.

Senator BIRMINGHAM—Sorry, you said you had a brief discussion with him; I was just confirming—

Senator Wong—I am sorry; yes, he was in Bali.

Senator BIRMINGHAM—What issues remain outstanding with Victoria?

Senator Wong—All the issues on which Mr Turnbull was unable to get agreement.

Senator BIRMINGHAM—That does not sound like there has been a lot of progress.

Senator Wong—No, that is not what I said.

Senator BIRMINGHAM—You just said all of the issues with which Mr Turnbull was unable to get agreement.

Senator Wong—The issues between the Commonwealth and Victoria go to a range of matters. Premier Brumby has indicated his willingness to continue to have Victoria discuss them with us. The Rudd Labor government's view is that this is an issue where we need cooperation between the states and the Commonwealth. The Murray River has for too long been a political football, and we absolutely need arrangements between the Commonwealth and the basin states that deliver an outcome for the river. I want to make it clear that I am not here simply to make announcements; I am here because I want to get outcomes. If we want to get outcomes, we have to go through this process of negotiation with Victoria, and we will do so. I have to say that I do not want to underestimate this. It is a difficult process, as I assume you would know. Given that your government was unable to get an agreement, there are some significant issues that we have to deal with. I am determined to continue to work with Victoria to try to achieve a negotiated resolution, because that is in the best interests of the basin—and certainly, in terms of our South Australian perspectives, it is in the best interests of South Australia—to have a whole of basin approach where all governments, the Commonwealth and all the basin states, agree on the same approach.

Senator BIRMINGHAM—Thank you, minister. I note you have mentioned the previous government three or four times already in the past few minutes. I thought we were ending the blame game. Is the government still seeking referral of powers from the Victorian government?

Senator Wong—I would be very happy to end the blame game, Senator, but from many of your public statements it seems that you are very happy to play politics with this issue. You called for us to have resolved this issue after 88 days in government, so you should not be surprised if people remind you that you had 11 years to deal with this.

Senator IAN MACDONALD—Are you ignoring Mr Rudd's call to end the blame game?

Senator Wong—That is why I am working with Victoria, Senator. I am not blaming Victoria, I am working with them.

Senator IAN MACDONALD—That is not what you are saying.

Senator BIRMINGHAM—Are you seeking a referral of powers from Victoria?

Senator Wong—There are a range of matters on the table, and in the interests of ensuring the integrity of those negotiations, I will not go to their detail.

Senator BIRMINGHAM—Of course, the water bill that was passed last year relied upon negotiation of an intergovernmental agreement in the moving-on stage from the referral of powers that had been sought in the earlier stages.

Senator Wong—Your government did not proceed with the IGA because you did not get agreement.

Senator BIRMINGHAM—The water bill was passed only a few months before the election. Did negotiation of the IGA commence, and is negotiation of an IGA underway?

Senator Wong—The nature of how we would structure any agreement is a matter that is still under consideration and pending the outcome of the negotiations. The constitutional basis of the Water Act 2007 that your government passed was not dependent on the IGA because you did not proceed with it because you did not get agreement.

Senator BIRMINGHAM—I turn now to some funding issues. How much was originally budgeted for expenditure on the National Plan for Water Security in the current financial year?

Senator Wong—I will refer that to Mr Forbes. The additional estimates do indicate a bring-forward.

Mr Forbes—The original budget for 2007-08 as published in the PBS was for \$173,125,000.

Senator BIRMINGHAM—The Labor Party made a big deal about bringing forward \$400 million of expenditure under the National Plan for Water Security. How much of that has been brought forward to this year?

Senator Wong—In total or in this category?

Senator BIRMINGHAM—How much of the \$400 million that you promised to bring forward?

Senator Wong—Yes, but there is a range of line items in the portfolio budget statements related to the national plan. Does your question relate to the cumulative bring-forward or each line item?

Senator BIRMINGHAM—The cumulative.

Senator Wong—For 2007-08 or 2008-09?

Senator BIRMINGHAM—For 2007-08?

Senator Wong—Just to be clear, the \$400 million was a bring-forward, from memory, into the first four years. That was the election commitment.

Senator BIRMINGHAM—That is why I asked how much was brought forward for this year.

Senator IAN MACDONALD—If I can help you, Minister, Mr Albanese in his media release of 20 November said:

A Rudd Labor Government will invest an additional \$1.5 billion in water reforms and will bring forward \$400 million under the \$10 billion National Plan for Water Security to fast-track improvements in water efficiency ...

Senator Wong—Page 25 of our election statement sets out the bring-forward that we proposed.

Senator IAN MACDONALD—That is what Mr Albanese had said, is it?

Senator BIRMINGHAM—That is \$100 million in this year that is proposed?

Senator Wong—That was the indication when the policy was announced.

Senator BIRMINGHAM—How much has been brought forward to this year?

Senator Wong—I think it is only \$15 million.

Senator BIRMINGHAM—\$15 million?

Senator Wong—In addition to what you had previously budgeted for, so it is a net increase of \$15 million.

Senator BIRMINGHAM—There is a net increase of \$15 million this year, but your Labor Party policy was for a bring-forward of \$100 million?

Senator Wong—That is right.

Senator BIRMINGHAM—That seems to be a vast difference. What is the reason behind that?

Senator Wong—I will defer to the department first, and then I will make some comments.

Dr Horne—There were two issues. The first issue is that the proposal had been to bring forward additional funds to spend on the purchase of water—the over-allocation line. The advice provided by the department to the minister is that we could spend up to a certain amount and could not spend a whole amount of money.

Senator IAN MACDONALD—When will the \$400 million—

Dr Horne—We could not spend moneys on infrastructure. Mr Forbes can provide some more precise details.

Mr Forbes—In terms of the net figure, \$15 million was brought forward into the over-allocation elements, but there were ons and offs as a result of looking at the ability to actually expend funds on infrastructure. As you would appreciate, putting together large-scale projects related to infrastructure takes time. It is important that the appropriate planning is in place and the appropriate cost benefit analyses are undertaken so that the infrastructure is put in the right place at the right price. Once we balanced off those things, the issue for the minister was whether an extra \$100 million could be expensed, and we felt that that was not likely to be possible.

Senator Wong—There are a couple of issues that I could add, which might assist. I have indicated that we will commence purchasing water within the next six months, in this half of the year. The Commonwealth obviously is a very large player in that market, and we do have to be cognisant of the effect that the Commonwealth will have in that market and strategic about our entry into that market. That does place some parameters around what you can spend in particular timeframes. I just emphasise Mr Forbes's point that the advice to me, in terms of what was capable of being rolled out the door in terms of infrastructure, meant that the department's advice was that the funding that was required was what is in the additional

estimates. The government's intention is to accelerate, as per our election commitment, the expenditure from what had been previously provided, over the next three years.

Senator BIRMINGHAM—Will that be an acceleration of \$400 million?

Senator Wong—The government's intention is to accelerate the expenditure over the next three years as per our election commitments.

Senator BIRMINGHAM—In this first year, where the government, when in opposition, was highly critical of the former government's level of expenditure, and promised an additional \$100 million of expenditure, you are actually only spending an extra \$15 million, so it is only 15 per cent of the promise.

Senator Wong—It is significantly more in terms of water purchase than was ever able to be done under the previous government.

Senator IAN MACDONALD—But that is not the question.

Senator Wong—I have been quite upfront about the quantum of the bring-forward. As I said, the government's intention is to continue to accelerate its expenditure and the implementation of the national plan over the next three years.

Senator IAN MACDONALD—The \$100 million was just some words—it was not really a promise?

Senator Wong—My job is to ensure that we get maximum benefit for the expenditure of taxpayers' money. That is the approach I am taking. We are absolutely committed to purchasing water, and we will be purchasing water within the next six months. I also am heeding the advice of the department about what they believe is doable within the circumstances. Of course when it comes to infrastructure expenditure—and I am sure Senators Birmingham and Macdonald would understand this—we have to go through a process of assessing projects. Projects have to be at a certain point. You do not just simply press a button and Commonwealth expenditure gets implemented in these areas. We will bring forward—and we have—moneys for expenditure. I have made it clear to the department and others that I intend to bring forward the remaining funds as per our election commitment over the next three years.

Senator IAN MACDONALD—Minister, you are getting the advice from the same department and the same commission as the previous government did, and the previous government was proceeding along this line, but Mr Albanese chose to tell the Australian public that you would be bringing forward \$400 million on a fast track, and your policy says \$100 million, yet in government you find that your election commitment was just rhetoric.

Senator Wong—What I can say is that we are committed to actually delivering water down the river from this. I would remind you that your government announced a policy on 26 January and at the time you left I do not think any—

Senator BIRMINGHAM—Which was held up by a Victorian state Labor government for many years.

Senator Wong—Speaking of the blame game, Senator Birmingham, thank you for retreating to the coalition's usual position on these issues. Unlike the previous government—

Senator IAN MACDONALD—We are worried about your—

Senator Wong—The previous government, from recollection, did not spend a single dollar in the time you were in government on purchasing water out of your \$10 billion. So you come in here—

Senator BIRMINGHAM—How much water has been purchased so far?

Senator Wong—I am sorry?

Senator BIRMINGHAM—How much water has been purchased since the new government took office?

Senator Wong—I have told you that we are purchasing water in the next six months.

Senator BIRMINGHAM—In the next six months?

Senator Wong—Yes.

Senator BIRMINGHAM—So the answer to that is zero?

Senator Wong—I have told you that we are purchasing water within the next six months.

Senator BIRMINGHAM—How much water has been purchased?

Senator Wong—I will be making further announcements about that in the near future. I would make this point: between 26 January and 24 November, when you were in government, not a single dollar was spent out of the \$10 billion on purchasing water.

Senator IAN MACDONALD—Can we confine ourselves to your actions as minister, please. That is what you are here for.

Senator Wong—So 11 years—

Senator BIRMINGHAM—In the three months from the passage of the Water Act to the election, you were highly critical that not a drop of water had been saved; in the three months since the election, it sounds like not a drop of water has been saved.

Senator Wong—Is that a question or a statement, Senator?

Senator BIRMINGHAM—Has a drop of water been saved?

Senator Wong—I have agreed to I think around \$5 million of infrastructure funding.

Senator IAN MACDONALD—No, the drop of water we are after.

Senator Wong—We have also participated—

Senator IAN MACDONALD—It would be helpful if the minister actually answered the questions instead of talking about what happened?

Senator WEBBER—You give a constant commentary as well.

Senator Wong—We have also approved funding under the Living Murray Initiative, so additional water should be available through that, if not already then shortly. As I have said, I have already approved infrastructure modernisation funding as well of about \$4.5 million.

Senator BIRMINGHAM—Going back to the funding for a moment, Minister Tanner's budget cuts flagged some \$50 million of cuts to the National Plan for Water Security—\$5 million relating to the Bureau of Meteorology which we examined the other day and the other

\$45 million to the Murray-Darling Basin Authority. Are those cuts net of the figures we have been talking about?

Mr Slatyer—I think you have already taken evidence on the \$5 million for the BoM, but in regard to the \$45 million for the authority, those amounts were earmarked for establishing the authority. They were put into the previous budget on the presumption that the authority would be operational from 1 July. That did not occur, so it was not possible to spend the money for its intended purpose.

Senator BIRMINGHAM—In terms of the total expenditure in 2007-08 under the National Plan for Water Security, where we are told it is going up by \$15 million rather than the \$100 million that was promised, it is not going up by \$15 million but then being cut back by \$50 million, is it?

Senator Wong—The evidence was that your government did not set up the MDBA. I am sure you will say that is because of Victoria. That is why those funds have not been expended.

Senator BIRMINGHAM—Your promise was that you would spend an extra \$100 million. I am trying to get to the bottom of whether you are only spending an extra \$15 million or whether in fact you are spending \$35 million less.

Senator Wong—Hang on, they are different line items, and you know that. We are spending more on water than you did. We are bringing forward expenditure. So let us be clear what is happening here. We on this side of the table are spending more on water purchase (a) than your government committed to and (b) than your government ever delivered. The reason, as Mr Slatyer has outlined, that there is a \$45 million underspend in relation to the Murray-Darling Basin Authority is that your government was unable to progress that matter as it thought it would be able to when it first announced the funding arrangements.

Senator BIRMINGHAM—They may well be different line items now, but in the Labor Party policy it was very clear that it was simply expenditure under the National Plan for Water Security. You did not break them down into line items then. It was expenditure under the plan. Have you increased expenditure by \$15 million but sliced off \$50 million?

Senator Wong—If you are asking me if I am not spending the money that you were unable to spend because you did not get the plan up and running, yes, that is the case. You did not get the MDBA up; you announced it in January. There was a budget allocation in the May budget of last year—that is, your budget. You were unable to deliver on that expenditure as a government because you did not set up the authority.

Senator BIRMINGHAM—Minister, you released your policies after the mid-year economic financial reviews came out.

Senator Wong—Just hang on; let me finish. You were unable to deliver on your May budget commitments because you did not set up the authority, and you did not get agreement with Victoria. I make no apologies for the government saying we are not spending the money that you could not spend in this financial year.

Senator BIRMINGHAM—You were fully aware at the time of the election, at the time you released your election policies, that we had been unable to get agreement from the Victorian government, that it had taken some time before the Water Act had been passed. The

mid-year financial reviews had been handed down. You still chose to go to an election promising \$400 million of extra expenditure, \$100 million extra in this year, and it sounds to me like the answer you are giving is that you are actually slicing \$35 million out.

Senator Wong—You know what we went to the election promising, and we will deliver it. We promised that we would give national leadership on water and we would end the blame game. That is what we will deliver because we will work with the states and, unlike you, we will do so cooperatively. We will do our best to get agreement with them, because we understand that the best outcome for the Murray-Darling Basin is if we get all the states and the Commonwealth in the cart.

Senator BIRMINGHAM—So we will take our \$35 million cut. On the issue of national leadership, has the Prime Minister discussed the water plan with Premier Brumby?

Senator Wong—I am not here representing the Prime Minister. The Prime Minister is very aware of the importance of this issue.

Senator BIRMINGHAM—But you are here as the minister responsible for water.

Senator Wong—Yes.

Senator BIRMINGHAM—There has been, as you have highlighted, a long-running stalemate between the Commonwealth and the Victorian government; has the Prime Minister discussed the issue with the Victorian Premier?

Senator Wong—I am not here to represent the Prime Minister.

Senator BIRMINGHAM—Has the Prime Minister had meetings that you are aware of?

Senator Wong—Senator Birmingham, if you have questions regarding the Prime Minister, they should have been asked in an earlier portfolio hearing.

Senator IAN MACDONALD—Minister, you are the water minister. You would know if your leader had spoken to a state premier about your portfolio. Is it that you do not know, or did he or did he not?

Senator Wong—As I said, I am not here to represent the Prime Minister and—

Senator IAN MACDONALD—No, you are here as the minister for water.

Senator Wong—I had not finished, Senator Macdonald.

Senator IAN MACDONALD—Would you answer the question? Do you know if he—

CHAIR—Senator Macdonald—

Senator IAN MACDONALD—Madam Chairman, we asked simple questions.

CHAIR—The minister has given an answer. Can we move on, please.

Senator IAN MACDONALD—This minister seems quite incapable of answering. Did she know? Did she know or not know if Mr Rudd met with Mr Brumby?

CHAIR—The minister has answered the question. Can we please move on with questions. I am conscious of the time, and there are other senators with questions to ask.

Senator IAN MACDONALD—Madam Chair, if the minister will not answer the questions, why—

Senator WEBBER—We are here to talk about water, not who the Prime Minister may or may not have spoken to.

Senator IAN MACDONALD—Can I finish my point of order? If the minister will not answer questions, why are we here? It is a very simple question. Did the Prime Minister meet in her portfolio, or does she know that?

CHAIR—The minister has answered the question. There is no point of order. Senator Birmingham.

Senator BIRMINGHAM—Is the minister aware of a promise the Prime Minister made to the then Acting South Australian Premier, Kevin Foley, after the COAG meeting that he would be taking aside both premiers Rann and Brumby to deal with the impasse early in the New Year as soon as he is able to?

Senator Wong—The Prime Minister is very aware of the importance of the water issue. That is why his decision was to establish a portfolio specifically focused on two key issues that previously had been dealt with in the Environment portfolio, being climate change and water. This government has put additional resources into these two areas, which is my portfolio. I am also aware there was a lot of media discussion about this issue in the context of COAG, and I think the Prime Minister made some comments over and above what you have indicated today in relation to the water issue. If you have questions about the Prime Minister's activities, they ought to have been addressed to the minister representing the Prime Minister in an earlier portfolio estimates hearing.

Senator BIRMINGHAM—I thought you sat within the Prime Minister's broad portfolio, actually, in the establishment of this government. I take it, knowing the Prime Minister's love of media and Premier Rann's love of media, that obviously this meeting between the Prime Minister and premiers Rann and Brumby that was promised to Mr Foley has not been delivered?

Senator Wong—Senator Birmingham, I know that you are anxious to land some punches as an opposition senator who wants to demonstrate he is on his way up; I did that in estimates, too, so good luck to you. But, really, this is going nowhere. The Prime Minister—

Senator BIRMINGHAM—It is going nowhere because of the answers you are giving.

Senator Wong—The Prime Minister has made clear he understands the centrality—

Senator IAN MACDONALD—We will take it the Prime Minister has not—

Senator Wong—Senator Macdonald, do you only interrupt women this much, or is it generally you are rude?

Senator IAN MACDONALD—Good work, Minister. You are a person to me.

Senator Wong—It is just very interesting to observe the difference.

Senator IAN MACDONALD—The fact that you happen to be a woman is quite irrelevant. You are a person. We take it, in answer to Senator Birmingham's question, the Prime Minister has not carried out his promise to meet with Mr Brumby.

Senator WEBBER—That is just ridiculous.

Senator Wong—My answer is—

Senator IAN MACDONALD—Are you saying he did?

Senator BIRMINGHAM—Did he?

Senator Wong—Can I make—

Senator WEBBER—Senator Birmingham, why don't you go and ask the minister representing the Prime Minister?

Senator IAN MACDONALD—She is in the Prime Minister's portfolio, and she is the minister for water. You would think she would know—

Senator WEBBER—'She' is Senator Wong, thanks just the same.

Senator IAN MACDONALD—You would think Senator Wong would know if the Prime Minister had met with a premier to talk about her portfolio.

CHAIR—Senators, we have spent nearly 10 minutes on this issue. I respect your right to ask questions, but I am mindful we have only a short period of time and other senators have questions to ask of the portfolio officers. Can we please move on.

Senator BIRMINGHAM—I am happy to move on, on the assumption that the minister's reluctance to give an answer demonstrates the answer is once again no.

Senator Wong—Senator Birmingham, don't verbal me. If you are going to make points here, do them well. Do not verbal me.

Senator IAN MACDONALD—Madam Chair, can we move on, as you have instructed?

Senator Wong—I am happy to move on, but that is not what I said. If you are going to make a political point—

Senator BIRMINGHAM—So are you saying the Prime Minister did have meetings?

Senator Wong—No, that is not the answer I gave. What I said is I am here in my own capacity representing my portfolio. If you had questions of the Prime Minister's portfolio, you should have asked them earlier. I am sorry if you do not understand the way portfolio estimates works.

Senator BIRMINGHAM—I do not think these are line items within the Prime Minister's budget.

Senator Wong—No. Do not verbal me to try to make a political point. If you are going to make a political point, make it, but do not do it by verballing me.

Senator BIRMINGHAM—I am not out to verbal you, Minister; I am just out to try to establish the facts. Unfortunately, facts and clarity seem to be a little hard to come by here.

Senator IAN MACDONALD—If the Prime Minister does something in your portfolio area, does he discuss it with you?

Senator Wong—The Prime Minister and I have a range of discussions about matters including those within my portfolio.

Senator IAN MACDONALD—If he were meeting with important people in relation to your portfolio, do you think he would discuss it with you?

Senator Wong—As I said, if you have questions about meetings the Prime Minister is engaged in, you should address those to the minister representing the Prime Minister.

Senator IAN MACDONALD—No, I am addressing them to you as the water minister. Would you expect that, if the Prime Minister was dealing with important people in your portfolio area, he would talk to you about it? Would you expect that?

Senator Wong—I have answered that question.

Senator IAN MACDONALD—No, you have not.

Senator Wong—I have said if you have questions—

Senator IAN MACDONALD—Would you—

CHAIR—Senator Macdonald!

Senator IAN MACDONALD—This is not a question about the Prime Minister, it is a question about you, Minister. Would you expect the Prime Minister to talk to you about an issue that involved your portfolio if he were dealing with it with another leader? Would you expect that?

Senator Wong—The Prime Minister has many discussions with me about this portfolio and other matters. As I have said, if you have questions about meetings the Prime Minister is engaged in, they should be addressed to the minister representing him. I do want to emphasise again that this Prime Minister and this government absolutely understand the importance and the centrality of the water challenge, and that is why, amongst other things, the Prime Minister has created a portfolio with a focus on climate change and water which is a far more significant focus than existed under your government. The Prime Minister is well aware—

Senator IAN MACDONALD—Madam Chair, I raise a point of order. How can we—

Senator Wong—The Prime Minister is well aware of—

Senator IAN MACDONALD—How can we get an answer—

CHAIR—Can we just let the minister finish, and then I will hear you. Minister.

Senator Wong—the importance of the negotiations with Victoria.

CHAIR—Senator Macdonald.

Senator IAN MACDONALD—Madam Chair, how can we get this minister to answer a question about her portfolio and about her expectations? The question is quite clear. It is not to the Prime Minister; it is to her: would she expect the Prime Minister to talk to her if he were dealing with other leaders?

CHAIR—Senator Macdonald, the minister has answered your questions. There is no point of order. Can we please move on. Senator Birmingham.

Senator BIRMINGHAM—What changes is the government considering to the water trading regime?

Senator Wong—Generally? Could you be more specific?

Senator BIRMINGHAM—Specifically, to meet promises to make it more transparent?

Senator Wong—Probably the best way to answer that is to talk about the COAG working group. I probably should have reminded the committee of that. As you know, first ministers—that is, the Prime Minister, premiers and chief ministers—through the COAG process have established COAG working groups, with Commonwealth ministers chairing each of the working groups. We regard this as a very important workhorse to drive reform across a range of areas. I have chaired the first COAG working group meeting for climate change and water. There are five sub working groups established under that to deal with specific issues. One of those is water, and Dr Horne is convening that for the Commonwealth. Water trading is one of the issues that is being discussed in the context of that working group, and I believe there has been a recent meeting on that, so I would ask Dr Horne perhaps to report on that.

Dr Horne—The water group met a couple of times and is seeking to progress issues relating to longstanding impediments and issues on which collectively the Commonwealth and the states can work together to improve water outcomes. That work will go back to the working group on climate change and through that to COAG at the end of March, when some concrete actions and processes for an ongoing work program will be put in place.

Senator BIRMINGHAM—Is there a reason why the working group on water does not appear to mention the Murray-Darling Basin at all in its objectives or work plan?

Senator Wong—My view, and this was the decision of COAG as well, was that we needed to progress the issue of the Murray-Darling initially bilaterally. As you would be aware, because we have been discussing at some length, the negotiations with Victoria in particular and obviously any consequent negotiations with other basin states are critical to getting agreement there. I will be frank: with all due respect to the officials at the table, our view was we needed to engage with that at a very senior level. It had gone as far in our view as we were likely to go at an official level without a shift at ministerial level.

Senator BIRMINGHAM—Is the government or the COAG working group looking at the length of time for transference of water licences, particularly interstate transfers?

Senator Wong—This issue has been raised with me. I will defer to Dr Horne or the relevant officer on this issue. Can I say—and I hope we could have some bipartisanship on this—that ensuring the water market works effectively is essential to reform. I am committed to doing everything we can at a Commonwealth level to try to improve the transparency and, I suppose, the liquidity or the openness of the water market. There is still a bit of work to do. I think the National Water Commission has done some work on that in the past. I do not know if Mr Matthews wants to add to my answer.

Dr Horne—Perhaps I can take that forward. In fact, on Wednesday of this week, at a meeting of the senior officers group that looks at the Murray-Darling Basin, we had a report from the CEO of the Murray-Darling Basin Commission on a working group that is moving some protocols to try to cut down those times. This is a high priority issue. There are a number of groups looking at addressing some specific issues within that whole space of ownership, time, settlement, and issues around registers. At the moment within the basin a number of jurisdictions have electronic registers, others have paper registers. Getting all that onto a system that reduces the time that takes the transactions to complete is an issue that has been given some priority.

Senator BIRMINGHAM—Do you have an idea of the average time for transfers?

Dr Horne—No, I do not.

Senator BIRMINGHAM—I hear complaints of weeks or longer have being common.

Dr Horne—The electronic transactions are being done in days. Certainly a lot of the temporary water market intrastate transactions are moving quite readily. The numbers of those in Victoria were 9,000 or 10,000—I do not know what the number is but a lot of transactions are going fairly smoothly. In other areas they are taking much more time, and some of the permanent transfers that involve ownership issues are taking many, many weeks, and far longer than they should take. The focus of the work is to prune down and put in place new protocols so that can happen a lot quicker.

Senator IAN MACDONALD—Minister, I would appreciate short answers because we are running out of time. When is the \$1.5 billion additional expenditure in water reform that Mr Albanese promised likely to hit the deck?

Senator Wong—Sorry?

Senator IAN MACDONALD—Mr Albanese said, ‘A Rudd Labor government will invest an additional \$1.5 billion in water reforms.’ I want to know when we are likely to see that. Which year will that come in?

Senator Wong—I am not sure what you are reading from.

Senator IAN MACDONALD—This is a media release from Mr Albanese on 20 November.

Senator Wong—We are out of the Murray-Darling basin; we are into urban water. I see. There are three election commitments that do comprise \$1.5 billion. We are currently working to implement those and announcements will be made in the near future. Just for the committee’s information, the largest bulk of that is a \$1 billion urban water infrastructure fund aimed at contributing to projects to deliver alternative reliable water to towns and cities.

Senator IAN MACDONALD—When are we likely to see the \$1.5 billion? That was my question.

Senator Wong—I have answered that. We are currently working on the implementation of those, and we will announce details of that in the near future.

Senator IAN MACDONALD—So there is no plan for that. On 10 May Mr Rudd announced—

Senator Wong—No, that is not what I said.

Senator IAN MACDONALD—Tell me the plan?

Senator Wong—There are matters internal to government and, as you know, governments announce decisions when governments announce decisions. They do not announce them to senators in estimates committees. There is a plan; it is to deliver on our election commitments, and it is to do so expeditiously. I will announce those in due course.

Senator IAN MACDONALD—I am just interested in the commitment made and what your plans are, but you will not tell me.

Senator Wong—No, I have told you that.

Senator IAN MACDONALD—Let us move on. On 10 May—

CHAIR—Senator Macdonald, I am conscious that time is moving on. At 9 o'clock I intend to hand over to Senator Siewert so she can ask some questions, and then we will come back to you.

Senator IAN MACDONALD—Madam Chair, would you please ask the minister to answer the questions we ask—

CHAIR—I have just outlined what I propose to do at 9 o'clock.

Senator IAN MACDONALD—and not just give a general spiel and rhetoric?

CHAIR—Would you like to keep asking questions until then, and then we will go to Senator Siewert.

Senator IAN MACDONALD—On 10 May Mr Rudd announced that there would be a \$250 million National Water Security Plan for towns and cities. When will the funding be available?

Senator Wong—That is part of the \$1.5 billion.

Senator IAN MACDONALD—How much funding will be available for individual programs?

Senator Wong—That is a matter for the program guidelines. We are just—

Senator IAN MACDONALD—What will be the process for applying for funding?

Senator Wong—Could I finish my answer?

Senator IAN MACDONALD—I thought you had.

Senator Wong—No, I had not. There is \$1 billion, and in relation to the \$1 billion election commitment that we will deliver on there is an upper limit of \$100 million per project. That is so as to ensure that those funds are spread appropriately across different states and territories and different projects rather than being eaten up in a single project. As you would be aware, there are some very expensive water infrastructure projects and we were very conscious of the need to try to leverage the best outcome in terms of Commonwealth funding. The two lots of \$250 million comprise the rest of the \$1.5 billion. As to questions in relation to time lines and criteria, we will deliver on our election commitments. Detailed program funding guidelines will be announced when the announcements about those funds are made.

Senator IAN MACDONALD—How much has been set aside for areas outside the capital cities?

Senator Wong—That goes to the funding guidelines issue. I can say, and you might be surprised at this, that I am very conscious of the importance of ensuring that funding is available to towns and cities outside the capital cities.

Senator IAN MACDONALD—You are right, I am surprised. Mr Borthwick, how much work has the department done on work to make sure these election commitments are being honoured?

Mr Borthwick—Considerable work. All of that work will be considered in a budget context. As to when announcements are to be made of the detailed funding guidelines, that is, as the minister said, up to the government. Naturally—and it is not just in the water area, it is in all areas affecting our portfolio—election commitments will be going forward in the normal course subject to budget consideration, and then a subsequent detailed announcement on funding guidelines will follow that.

Senator IAN MACDONALD—In November, the then shadow minister for water stated, ‘A federal government will commit \$20 million from the National Water Security Plan for Towns and Cities to assist with the construction of a pipeline from Rockhampton to Gladstone.’ What work has been done on that?

Senator Wong—While Mr Robinson is coming to the table, just so we know what we are talking about, the three election commitments to which I think Senator Macdonald is referring are: the \$1 billion for urban water and desalination, which is where there is a \$100 million upper limit per project; a \$250 million national plan for towns and cities, which is essentially an investment in pipes and other sorts of infrastructure to improve that; and just over \$250 million for a national rainwater/grey water plan. They are the three commitments that the government will be implementing.

Mr Robinson—Your question was about a single project under the government’s proposed National Water Security Plan for Towns and Cities.

Senator IAN MACDONALD—It was about the pipeline between Rockhampton and Gladstone, actually.

Mr Robinson—Yes, that is a project under the government’s plan. As the minister and the secretary have said, we are working on implementation details. The government has not made an announcement about that. We have met with some of the proponents in regard to specific projects, and I think we are intending to meet with some of the proponents on that project in the near future.

Senator IAN MACDONALD—You have received submissions?

Mr Robinson—We have not received submissions.

Senator IAN MACDONALD—No submissions received?

Mr Robinson—Not that I am aware of.

Senator IAN MACDONALD—That is interesting.

Mr Robinson—We have sought details from the proponent.

Senator IAN MACDONALD—Who is the proponent?

Senator Wong—Mr Robinson can answer that if he wants to, but I am always reluctant to get individual details of proponents into the public record in this way, because it is not already on the public record. I am sure you would understand why.

Senator IAN MACDONALD—No, I do not, minister. This is a public infrastructure project and it was promised by the shadow minister, so I assume that someone would know who the proponent is. It is not a state secret.

Senator Wong—No. As I said, Mr Robinson can answer it. This is an election commitment, so it is absolutely clear that we are committed to this. I was just making a point that there are clearly negotiations with a proponent and I am reluctant in these estimates committee contexts to—

Senator IAN MACDONALD—That is not my question, Minister.

Senator Wong—I had not finished.

Senator IAN MACDONALD—You are wasting my precious 10 minutes of time. I really want answers to my questions, not a sort of a general comment on the state of the world from you.

Senator Wong—My point is that I ask the committee be cognisant of the fact we are discussing commercial matters. With that rider, I will ask Mr Robinson to respond to the senator.

Senator IAN MACDONALD—Thank you. That has taken up two minutes. Mr Robinson, do you know who the proponent is?

Mr Robinson—We are planning to meet with the Gladstone Area Water Board and with representatives of the Queensland government.

Senator IAN MACDONALD—You have received no written submission on that?

Mr Robinson—No.

Senator IAN MACDONALD—Do you have any idea of the estimated cost of that project from the work you have done already?

Mr Robinson—I believe that the government's election commitment was \$20 million.

Senator IAN MACDONALD—Has anyone done any work on whether that is the cost, or whether it is more or less than that? Have you done any work on that? You may not have done work.

Mr Robinson—Our advice is that the estimated cost of the project is \$345 million. The government's election commitment is a contribution from the Commonwealth of \$20 million.

Senator IAN MACDONALD—Can you or anyone tell me where the Victorian north-south pipeline project is at the present time?

Dr Horne—We are not involved in that project in any financial way.

Senator IAN MACDONALD—The Commonwealth will not be contributing any funds to that?

Senator Wong—I am looking at our election commitments, but it did not ring a bell. Unless the nomenclature is different, I do not recall that being one of our election commitments in the context of this policy. I will just check at the table if that is correct. If you have other information, we are happy to assist you.

Senator IAN MACDONALD—I have a series of questions that I might put on notice, as it seems that no-one is aware of it in this portfolio. On 19 February Mr Bill Shorten told the *Australian*:

It's time to bite the bullet on cotton and rice ... The Prime Minister must show some leadership and buy water entitlements from cotton and rice farmers, compulsorily if necessary.

I am just curious; is that government policy?

Senator Wong—Government policy is as outlined prior to the election. Our approach is to buy water from willing sellers, and that is the approach I am taking, and that is the way in which the purchases that I have indicated will occur will occur.

Senator IAN MACDONALD—So, Mr Shorten was wrong when he said 'compulsorily if necessary'?

Senator Wong—I do not have that information in front of me. I can only tell you the government's position.

Senator IAN MACDONALD—If he said that—

Senator Wong—I will not get—

Senator IAN MACDONALD—I am asking you to accept my word that he did, but if he did, would that be contrary to government policy?

Senator Wong—The position of the government is that the approach we will take is to buy water from willing sellers.

Senator IAN MACDONALD—Does your government have a view on the impact that any compulsory acquisition of water rights in the cotton and rice industries might have on Australia's cotton and rice industries?

Senator Wong—I have said that the approach that government will be taking is to buy water from willing sellers. Associated with that are some of the market issues that Senator Birmingham rightly raised. That is the approach we will be taking. I am very conscious of the importance of engaging with and discussing these issues with representatives from not only cotton and rice but also other irrigation sectors. As I have said, we do have to all prepare for a future where the prospects, particularly in the southern basin, are for less rainfall. That presents challenges. It may not be as relevant to the issues you raise, Senator, but that does present significant challenges—

Senator IAN MACDONALD—I would ask you to be relevant to the issues I raise, Minister, because time is very precious.

Senator Wong—I had not finished my answer, Senator Macdonald. I was saying that we all—governments, community and industry—will have to meet the challenge of a future where there appears, at least in the southern basin from the CSIRO study and other studies, to be a future where there is less water. That is a challenge, and that is why the government will be purchasing water and why I have already signed off on funding for irrigation modernisation planning.

Senator IAN MACDONALD—On notice, if necessary, can you tell me which irrigators in the Murray-Darling Basin you have met with, if not by individual name by groups of people? You may have that with you, but if not, could you take it on notice and let me have a list of the groups of people or farm groups you have spoken to of the Murray-Darling Basin irrigators?

Senator Wong—I will take that on notice, but can I just make this point: there are many discussions, as you might recall from being a minister, that you have with people in different contexts. I am a little reluctant to give you a list of every single person that I have ever spoken to who might work in the Murray-Darling Basin. Some of those people may not wish for me to present to an estimates committee details of my meetings.

Senator IAN MACDONALD—Chair, Minister Wong said she would take this on notice. She is just wasting valuable time.

CHAIR—Let the minister finish.

Senator Wong—I will consider that on notice, but I am flagging to you that I will very carefully consider whether I will provide all of that information because, as I said, some people might not necessarily want all of their details in public. Having said that, I am happy to give you what I can. As I said, I am very conscious, particularly given that we are talking, certainly in respect of the irrigation sector and associated industries, about people's livelihoods. I am very conscious of the importance of meeting with individuals affected.

Senator IAN MACDONALD—Have you met with any member of the Wentworth Group?

Senator Wong—Yes. I have met with Professor Young.

Senator IAN MACDONALD—Any others?

Senator Wong—I understand my staff might have. From memory I have not directly met with them at this stage.

Senator IAN MACDONALD—Finally, what are your plans if, in promising to get back water, you cannot get people voluntarily to sell you back water? How will you then meet your election commitment to actually get back water?

Senator Wong—There is a range of hypotheticals in that question that I do not think are particularly helpful. All I can indicate is the government's approach: which is to buy water from willing sellers. In the context of the Murray-Darling Basin, which is really where you have the most significant pressures, we have said quite clearly three things: we want a single authority, so not the current dual or split authority that your government left us with with the commission and the authority; we want critical human needs to be included in the Water Act; and, and this is the most important issue in many ways, we want a basin-wide cap and a compliance mechanism to deal with that. Underneath those headline policy commitments, there is a whole range of issues about how you would deal with that. We have not determined that because they are issues that really need to be worked through in detail, not only with the states, if we do get agreement, but also with industry and communities. This is not about us saying, 'We are just imposing this'; this has to be worked through from the bottom up as well.

Senator IAN MACDONALD—Thank you, minister, that is a nice little commentary but it was not the question I asked, as seems to be the case with you.

CHAIR—Thank you, Senator Macdonald.

Senator IAN MACDONALD—Let me just have another go. You have promised to take back water, and it is desperately needed. You must have a plan if you cannot acquire that water voluntarily?

Senator Wong—I have answered that question and the approach the government is taking is to buy water from willing sellers.

Senator IAN MACDONALD—So you do have a plan?

Senator Wong—The approach the government is taking is to buy water from willing sellers. As I said, we do have a policy commitment which we are seeking to implement to get agreement in the Murray-Darling Basin—we want a basin-wide plan; we want a basin-wide cap that all the states sign up to; and we want a compliance mechanism associated with that. But the detail of that needs to be worked through if we do get agreement with stakeholders and with the states.

Senator SIEWERT—I have a range of questions around the Murray-Darling, but I also have some around Ramsar and the northern task force.

Senator Wong—Sorry, Senator, I apologise; I should have mentioned—and I assume Senator Macdonald because of where he comes from would know this—that obviously there is also the investment and modernisation of irrigation infrastructure. We would anticipate that, in addition to buying water, the policy is intended to deliver water savings through modernising and improving irrigation infrastructure.

Senator SIEWERT—With respect to the Murray issue, could you tell us what is the level of storages at the moment on the Murray?

Senator Wong—All of them, Senator?

Senator SIEWERT—If you give a general overview, and then provide maybe on notice some of the levels?

Senator JOYCE—Are you talking about the Murray or the Murray and the Darling?

Senator SIEWERT—The Murray and the Darling.

Senator Wong—I am advised by officers that they might not have the detail of that information. We can take that on notice. We can give you what the latest contingency report indicated, which was released publicly.

Dr Horne—We can provide that information very readily. There is a regular update provided by the Murray-Darling Basin Commission that appears on their website almost weekly, at the moment, but we can certainly provide that during the course of today.

Senator JOYCE—Are you asking about public works storages, like storages owned by the government—like Menindee storage?

Senator SIEWERT—I was interested in a comment you just made about the two administrative bodies that are currently proposed: the authority and the commission. I was going to ask about progress in establishing the authority, but, in view of your comment, I would rather ask: given your previous statement, what are your plans for dealing with the criticism that the Greens certainly made at the time that that is setting up a double bureaucracy?

Senator Wong—Yes, and it is. That is what we have been left with when we came to government. Our election commitment is to create a single authority that does require agreement to be obtained with the basin states. Obviously we have had a long discussion this

morning about the importance of getting agreement with Victoria. We are seeking to progress those. In the interim, the Water Act will commence and the authority will be in place. It is an unsatisfactory arrangement to have both a commission and the authority in place at the same time. That is what we were left with, and I am attempting to do all I can, and the government is doing all it can, to bring them together. That requires the negotiations to which I have alluded.

Senator SIEWERT—I presume there will be amendments to the Water Act and obviously to the commission as well?

Senator Wong—If we achieve agreement with the basin states, there may well be consequential amendments that would then have to be put in place in relation to the Water Act.

Senator SIEWERT—What progress has been made? I appreciate what you are saying around ongoing negotiations, but, if I understand you correctly, you are proceeding with the establishment of the authority as it currently stands?

Senator Wong—To be honest with you, when I was given this portfolio, I had a couple of choices. One of them was to defer the operation of the act. I took the judgement that that was not appropriate. I want to continue with a number of things in the act. Probably one of the most significant is the Commonwealth environmental water holder which, as you know, would be an office that is able to manage environmental water in a way that has not really been achieved to date. That is a benefit. I am very conscious that the current situation of two bodies—the commission and the authority—is not a sensible one, and we are doing everything we can to get agreement that would enable a single authority.

Senator SIEWERT—I am not trying the labour the point and be a pain in the proverbial—are you starting to put in place the authority or is that on hold until these negotiations are complete?

Senator Wong—The authority will come into existence as a matter of law, I think, on 8 March.

Senator SIEWERT—Do you intend meeting the deadline?

Senator Wong—Yes. We are having some discussions with the states about those issues to which I have alluded. I do not want to pretend that this is ideal, but this is what we got when we came in, and we will not change it until and unless we get basin states agreement.

Senator SIEWERT—Thank you. As to the progress on the intergovernmental agreement we were talking about earlier, that is obviously under discussion? Do you see a time frame for that completion?

Senator Wong—I have not made a decision as yet. We need agreement with Victoria et al as to how we would give effect to that. An intergovernmental agreement is I think the most common way or an obvious way, but I have to say I have not determined our view on and how we would give effect to any agreement if reached.

Senator SIEWERT—Okay. Can I move on to the work that is being done on the CSIRO sustainable yields? I am aware, as I have been reading them, of the periodic production of

statements for various catchments. Could you give us an indication of what percentage of those has now been completed, and how far they are away from being completed?

Senator Wong—I think we are over halfway, but Mr Slatyer is the expert on this, I think.

Mr Slatyer—I am just looking up the numbers, but approximately half of them have been released to date, and several more are about to be released.

Ms Olsson—Eight catchment reports have been released; 10 remain to go, plus the basin as a whole.

Senator SIEWERT—Eight have been released; 10 more to go, across the basin?

Ms Olsson—Yes. Then the basin report itself.

Senator BIRMINGHAM—That is a delay on the initial expectation, is it not? Did I read somewhere that January was the initial thought for getting them finished, or am I mistaken?

Mr Slatyer—We had always said that the reports would be issued progressively until early 2008.

Senator BIRMINGHAM—Is there a timeline to finish the remaining 10?

Mr Slatyer—In terms of the management processes of the project itself, yes, there is a plan that will have the remaining reports released within the next two months.

Senator SIEWERT—I know that we have engaged on this sort of discussion before, but one set of inputs is the hydrology, and then there is also the ecosystem and health issues. Will we have as clear a picture on the ecosystem and health issues for those catchments and the river system as we do have for the hydrology, or we will have that in two months' time in the hydrology?

Mr Slatyer—The department has commenced some initial work on environmental assessment, drawing on a considerable body of research that is already available. You are correct to suggest that the CSIRO studies themselves will not be saying that much about the environmental values. They do have something to say, but it is not an in-depth analysis. The new Murray-Darling Basin Authority in determining sustainable diversion limits, as required under the law as it presently stands, takes account of environmental factors in a range of ways that is specified in the Water Act, and the department's intention was to commission some initial work that the authority would be able to draw on as it wished. Also, the authority would be resourced and empowered to undertake its own research for those purposes.

Senator SIEWERT—In two months' time, we will have all of the hydrology done? We will not have the ecosystem information that is required by then, will we? How will they accomplish this task properly so that we know they are ecologically sustainable?

Mr Slatyer—It seems a bit curious to say, but those questions really will need to be aimed at the new authority when it is appointed and exists. As I said, the department has initiated some work that will help the authority hit the ground running. With that kind of analysis, it will need to get a thorough understanding of the ecological issues as it goes about its work of setting a sustainable diversion limit, and the budgetary provision made for the running of the authority allows sufficient funds for it to undertake that kind of work.

Senator SIEWERT—How much have you allocated already for that assessment?

Mr Slatyer—I would have to take that on notice. I do not know the specific cost of that project.

Senator SIEWERT—We are now talking about a much longer time frame for getting that information, are we not?

Senator Wong—Sorry, Senator—which information?

Senator SIEWERT—The ecological information.

Senator Wong—Much longer than?

Senator SIEWERT—Within two months we will have the hydrological information. There is the whole debate about when we actually put the cap in place and when the basin plan actually starts—which I wish to move to anyway—but we will not have the information to actually make proper decisions for environmental protection, will we?

Senator Wong—I will defer to Mr Slatyer, and I understand the position from which you come. I do want to make the point in terms of the CSIRO study that it is a very significant scientific analysis. CSIRO tells me it is the largest scientific project that they have undertaken. I think your point is: how do you mesh that with ecosystem information. My understanding, subject to what Mr Slatyer says, is that that would be something the MDBA needs to consider how they would input that, but I will defer to Mr Slatyer.

Senator SIEWERT—I agree with you. I do understand the CSIRO study fairly well and I have been briefed on it, so I am not critical of the fact that money has been invested there. What I am critical of is that we have not had a level of investment needed to determine the same requirements ecologically.

Mr Slatyer—As I said before, the authority would give considerable priority to that kind of research, and it will have sufficient resources to undertake thorough ecological research.

Senator SIEWERT—Okay, I will not pursue it further. I think my point is made. However, I do want to pursue the basin plan. I think it would be no mystery and not come as a surprise that I have been critical of the length of time taken to put the basin plan in place and setting a cap. As I understand the act, the full plan will not come into place until the expiry of current water sharing plans?

Mr Slatyer—The basin plan will come into effect as soon as it is finalised. The way the act works is that existing plans do not have to be modified to align to the new plan, but any modifications to existing plans, or any new plans that are in the pipeline, would have to align to the basin plan. There is a range of provisions requiring that.

Senator SIEWERT—With all due respect, that is essentially what I said. Existing plans do not have to be modified to meet the basin plan in New South Wales in some cases until 2014 and, as I understand it, in some cases in Victoria until 2017, I think. Is that correct?

Mr Slatyer—That is correct, but the government has budgeted resources to address overallocation issues that it discerns need to be addressed prior to that day arising.

Senator SIEWERT—If what you are saying is that in the catchments where it is identified there is overallocation or there are significant issues, will those catchments be prioritised for expenditure to deal with overallocation?

Senator Wong—That is policy division within government, but clearly the CSIRO report will make an important contribution to our thinking on the water plan generally. In terms of the water sharing plans and your comments about the time frame, my advice—and I am sure the officers will jump in if I get any of this wrong—is that many of the basin states have water sharing plans that are operative until 2014, and Victoria is beyond that—2019, I think. Obviously they are enforceable, and that is why the time lines to which you have alluded are in place. The only way in which there could be an alteration to that would be by agreement of all parties.

Senator SIEWERT—Will the government then seek those agreements or use its resources to actually ensure that they are actually meeting the new targets sooner rather than later? You will agree that 2019 is a long time away?

Mr Borthwick—I think it is very clear that those water plans stay in place until 2014 and 2019, but the whole thrust of the work of the CSIRO of the environmental plan that the new authority will develop will indicate priorities, and the states will also be doing plans consistent with the overall plan in the subcatchments of the basin. That will clearly be a factor that influences the Commonwealth's purchasing of water to address that balance between consumptive use and environmental use in advance of the plans. That gets back to the minister's point about entering the market and buying from willing sellers. Clearly our efforts will be targeted at where there is a greatest need in terms of getting that balance right between consumptive and environmental water.

Senator SIEWERT—The current act has, as far as we are concerned, no effective environmental targets. Are there plans to actually amend the act to ensure that targets are included in that?

Senator Wong—I apologise; I was distracted.

Senator SIEWERT—We were highly critical of the act that, as it currently stands, it does not include environmental targets or requirements.

Senator Wong—Is this the cap?

Senator SIEWERT—Specifically related to environmental protection. Are there current plans or has there been any discussion about fixing that situation within the act?

Mr Slatyer—Of course, I cannot answer the question about whether the act would be amended, but the act requires the authority to set an environment watering plan, and the content of that plan and how that plan is framed and how and whether it incorporates particular environmental targets is allowed for in the act. It does not require it.

Senator SIEWERT—Exactly; that is the point.

Mr Slatyer—Unfortunately I do not have the act with me, but it would be a matter for the authority to figure out what kind of content that environment watering plan should have subject to the requirements in that part of the act, which you would recall, that sets out the type of detail that needs to be included in the basin plan.

Senator SIEWERT—You would recall that we did actually propose amendments to try to put effect to what I am talking about? I appreciate that you cannot tell me, but I will keep

pursuing that. The issue there is that there is a significant hole in the act as far as we are concerned around protecting the environmental health of the Murray-Darling.

Senator Wong—I understand that that is your position. The architecture of the act was to give the authority the task of establishing a basin-wide plan. I want to assure you that, however it is achieved, a basin-wide plan and a cap that is actually implemented is a high priority. If we do not have that, I think the health of the Murray-Darling will continue to decline, absent a massive shift in rainfall.

Senator SIEWERT—Yet the requirement for the date of the basin plan, as I recall, is not in the act. It was given effect by the minister's statement that it would be done within two years, is that a correct understanding?

Mr Slatyer—The act does not specify any time frame, that is correct.

Senator SIEWERT—As I recall the discussion that we had at the time, the effect to that was given to the then minister's statement that it would be done within two years—is that the situation?

Mr Slatyer—The former government announced in the second reading speech of the legislation that its intention was that the plan would be implemented within two years.

Senator SIEWERT—Because it is not in the act, and we have a new government, my question is: what is the current government's intention with that plan?

Senator Wong—Obviously we want to see a plan up as quickly as is practicable and possible, but let us not underestimate the complexity of the task. We have a new set of very substantial data in the form of the CSIRO's sustainable yields reports for all the catchments. That will need to be considered. Whilst I am not here to defend the previous government's position and time lines, I want to see a basin-wide plan as quickly as possible, but I am sure you would agree we also have to get it right. Part of the problem in this area is that a range of decisions has been made, and a lot of announcements made, but not many outcomes delivered. We need to actually get some outcomes.

Senator SIEWERT—I would want it shorter, if possible. It will not blow out more than the previously stated two years, will it?

Senator Wong—I am sorry?

Senator SIEWERT—It will not go—

Senator Wong—Go beyond it?

Senator SIEWERT—I appreciate what you have just said about the complexities, but my point is that I would really rather see it sooner rather than later. It will not blow out further than the two years stated by the previous government?

Senator Wong—My intention, as I said, is as soon as is possible and as soon as is practicable, and broadly the two years would seem to be about appropriate. That may be revised if it is possible. Obviously we want it as soon as we are able to. We have a few issues before that, including getting agreement. At the moment, we could have a plan, but there is not agreement to sign up to it. We have seen through the years the problems with the so-called cap on the Murray-Darling.

Senator SIEWERT—I could keep going for ages, but I do have a Ramsar question that I particularly want to ask.

Senator Wong—Yes; Senator Siewert asked for that in the other outcome.

Senator SIEWERT—More than 12 months ago, I think, when Minister Campbell was responsible, a commitment was given by the government that it would undertake a review of management of Ramsar sites. Do people recall that? I see a nod. That review was being undertaken internally. What is the progress of that review? If it is finished, will it be released? If not, when will it be finished and will it be released?

Mr Slatyer—It is nearing the point that the department will be able to provide advice to the minister on the matter. It is not quite at that point.

Senator SIEWERT—It seems to have taken quite a long time. Has it been carried out on the management of Ramsar wetlands across Australia?

Mr Slatyer—Yes.

Senator SIEWERT—Maybe it is an issue I have to ask the minister about as to when it will be released.

Mr Slatyer—Yes. We have not advised the minister on the matter yet.

Senator SIEWERT—Minister, a review of Ramsar sites has been carried out. It has been undertaken for quite some time; will that review be released? Will you give consideration to its being released?

Senator Wong—Yes, I will certainly consider it. I have not received it yet, so I cannot really consider it in the absence of the report.

Senator SIEWERT—It was unlikely you would say yes to it straight up. At least I have a little bit to hang on to.

Senator Wong—You got that, Senator. I will look at it.

Senator SIEWERT—You can guarantee I will keep following this issue up.

Senator Wong—I understand the community interest in the Ramsar sites.

Senator SIEWERT—An issue that is related to that, to a certain extent, is the theft of water. I have brought this up in estimates and I have brought it up in the chamber before—the ongoing issues around the theft of water, which are directly related to the basin as well. Have you looked into that? I have bored you to tears with it before. Is it something that you have looked into since then? Is it something that it is possible to work through with some sort of task force with the federal and state governments to look at how to deal with it?

Dr Horne—As you know, water theft issues are managed at a state level. There has been a lot of discussion within the Commonwealth-state groups that meet, particularly within the basin. It has been obviously particularly sensitive this year, given how dry things are, particularly in the southern part of the basin. More resources have been put into it in some of the jurisdictions in the southern part of the basin, and it is an issue on which, ongoing, we would intend compliance issues to be more prominent. Those issues are being worked through at a Commonwealth-state level at the moment.

Senator SIEWERT—Are they being considered as part of the COAG subgroups that have been set up?

Dr Horne—They are an issue; in fact, we talked about them as part of the compliance regimes yesterday in the subgroup that is looking at water issues.

Senator Wong—It is my expectation that Dr Horne and his team will progress the compliance issue, water theft and the markets issue through this subgroup.

Senator SIEWERT—As I understand it, in some states there is not effective legislation to deal with compliance, so compliance with non-existent legislation is very difficult.

Senator Wong—There is no Commonwealth legislation; there is state legislation.

Senator SIEWERT—Yes, I know, but in some states, as I understand it, there is not adequate legislation to actually deal with the water theft issue. It is not just a compliance issue; it is putting in place legislation that actually deals with it, and then enforcing compliance.

Senator Wong—When I indicated my expectation was that this issue would be dealt with by Dr Horne and his team with the states through the working group, I meant not just enforcing existing legislation but dialogue around what is the appropriate structure, both legal and otherwise, to ensure that there is compliance with arrangements which are entered into by governments. That is a national issue. It is of particular resonance for the Murray-Darling Basin in the context of our commitment to achieving an enforceable cap.

Senator SIEWERT—I know that a number of NGOs have evidence of where water has been taken; for example, in New South Wales. That may be of assistance to help your deliberations. Will the working group actually be talking to stakeholder groups?

Dr Horne—As a group, as a whole, we have not spoken to stakeholder groups. We are on very short time frames at the moment, but I am sure that the issues that stakeholder groups have would be very well known to my state colleagues, and would form part of the discussion to take forward what concrete actions are necessary and what upgrading of the regimes that we have in place around compliance.

Mr Borthwick—Could I also say that, even though we do not have legislation specifically targeting this issue at the Commonwealth level, if you have evidence, for example, that there has been water interception activities or theft that has affected threatened species or Ramsar sites and the like, we would like to see that in terms of whether or not action can be taken under the EPBC Act.

Senator SIEWERT—I am delighted to hear you say that, because I am very aware of an organisation that can provide just that evidence. In fact, it provided it to the rural and regional group.

Mr Borthwick—If they—possibly through you—get in touch with me, we will have a very good look at that.

Senator SIEWERT—Okay; thank you very much.

Senator JOYCE—I have been watching you downstairs, but if I ask something that you have already answered, just indicate, and I will go back to the *Hansard*. How far down the

track are you with the redevelopment of the Menindee storage so as to save water from evaporation and get it into South Australia where so many of the problems seem to lie?

Senator Wong—Sorry, how far are we from what?

Senator JOYCE—The redevelopment of the Menindee storage.

Senator Wong—Menindee Lakes.

Senator JOYCE—Noting that more water evaporates from Menindee storage when it is full than the whole of Queensland uses.

Senator Wong—You are a diligent senator for Queensland.

Mr Forbes—In terms of the election commitment of the \$400 million, we have held discussions with the New South Wales government, and we are hoping to progress that further from where we have got to so far. Those discussions have commenced with the New South Wales government.

Senator JOYCE—What is your time line so that the people of South Australia—not that that is my state, but I like to look after other people—can start getting some water flowing down there? How long before you actually get the dozers in and start pushing up seven-metre cells for a more effective storage of water? What would be your proposed time line?

Mr Forbes—A range of different options is being considered. One option has not actually been preferred at this stage. Speculating on the time lines would be a little pre-emptive at this stage, but certainly we want to move this as quickly as we can.

Senator JOYCE—Does the New South Wales government want to move it as quickly as you do?

Mr Forbes—We are still discussing the issues with the New South Wales government. There is no commitment in terms of time lines at this stage.

Senator Wong—Senator Joyce, you would be aware—and Dr Horne might add to this—given the low level of rainfall, the level of storage at Menindee is very, very low.

Senator JOYCE—It should fill up fairly soon, because a lot of water is coming down.

Senator Wong—Different people have different views about that.

Senator JOYCE—That leads me to my next question.

Senator Wong—I will ask Dr Horne to elaborate on how that is going.

Dr Horne—You are quite right; the amount of water in the Menindee Lakes complex has increased over recent times, but it still remains relatively low, and in fact Menindee Lake itself, as I understand it, does not have any water in it at this point in time. In fact, there has been a conscious decision that, rather than to let water go into it at this point in, the water is actually continuing down the Darling and is currently going into Lake Victoria. There is a conscious decision about management, and a conscious recognition over the very significant evaporation issues and the very significant issues that as the lake is refilled, the first, I think, 200 gegalitres of water that come down would in fact just go into the dirt as reconstituting the lake. It would just basically soak into the system. That is all very well understood, and they are very large amounts of water, and I think everybody is very conscious of it. That is really

over here, and it is being managed as well as it can be. Mr Forbes has indicated a number of proposals are around, and they need to be worked through. That process is being given a lot of attention.

Senator Wong—I should be clear: we do have a \$400 million election commitment on this, and the government will implement it.

Senator JOYCE—By planned absorption. There was an issue in regard of 8,000 megs that was to be extracted from the Warrego, and for whatever reasons that decision was changed. I want to bring to your attention that 8,000 megs was going past Wyandra every 14 minutes during the last flow. About 9,000 megs went tearing through the middle of Charleville and flooded out a lot of people, and that is just from Bradleys Gully. Would there be any revisitation of that decision, even to tie it up with maybe flood mitigation measures for Charleville in such a way as to withhold the water from going down Bradleys Gully to go into Charleville, or to at least give the capacity of a little bit of irrigation out there? That would still leave the system 99 per cent unallocated in Queensland, and give a greater capacity for flood mitigation as well as development for irrigation?

Dr Horne—I could not answer that question right now, but we could look into it for you.

Senator JOYCE—Thank you. In the Murray-Darling Basin cap, we will not become too onerous on farm dams, will we? A lot of farmers have an inherent fear that this will turn into a bureaucratic nightmare that every dam on their place will all of a sudden require a licensing fee or someone turning up, and it will just turn into Kafka's Castle. How will we handle that?

Senator Wong—If we are to have a sustainable future for a range of agricultural industries and towns and cities, particularly in the Murray-Darling, we will have to have a more integrated approach to water management and integrating our management of groundwater and surface water. Obviously the details of that is something that needs further discussion with the states and stakeholders. I am very conscious of some of the concerns such as those you raise. I do want to emphasise that we cannot continue to pretend that there is no impact from what we do in relation to groundwater on water availability in our rivers. A range of decisions needs to be made by governments and communities about how you deal with that. They are issues that we will work through in detail with the stakeholders.

Senator JOYCE—I thank the minister for that answer. I also draw to your attention that, since the GABC—Great Artesian Basin capping—scheme has been in place, there has been a 95 per cent reduction in the efficiency and use of water by those people in the Great Artesian Basin, and they think that is a rather fair compensation. A lot of that was their own money to alleviate any further bureaucratic impediments that are placed on them in the future. That is the logic of where they are coming from. I imagine Senator Macdonald has already dealt with northern development, but if we get out of the Murray-Darling Basin scheme and go right up into the north, and if we believe that the southern part of the Murray-Darling Basin will dry out, we will have to find an alternative area to produce our foods. There are huge problems up there because of tree clearing legislation in the development of the country. Will there be any interrelation between departments in how you will deal with this?

Senator Wong—Land clearing reforms in Queensland are in place. I appreciate that you might not agree with them.

Senator JOYCE—Not really.

Senator Wong—They are being affected and I have to say they have actually made a significant contribution to Australia's greenhouse gas emissions. I acknowledge that farmers have actually done that through observing these land-clearing regulations. I have announced a revision of the membership in terms of reference of the Northern Australia task force, and we want to broaden the terms of reference of that taskforce to look at not just water but a broader range of economic opportunities. We are conscious of the importance of Northern Australia. I have written to the states seeking their views about changes to the terms of reference.

Senator JOYCE—I could not leave that without acknowledging that all the people, especially in Queensland, which is both Senator Macdonald's and my state, have had a lot to do with meeting our Kyoto protocols, but no-one has actually ever paid them for it. They have basically had their assets stolen from them without payment.

Senator Wong—Sorry?

Senator JOYCE—The impediments that were put on there, right of private ownership over an asset, have never been compensated in just and fair terms.

Senator Wong—Which asset are we speaking about?

Senator JOYCE—We are talking about vegetation rights.

Senator Wong—This is the Queensland government land clearing issue?

Senator JOYCE—It was inspired by the Commonwealth, but that decision will be discussed in the High Court very soon.

CHAIR—Senator Joyce, I do not mean to interrupt your flow—

Senator JOYCE—This is my last question. A proposed monitoring and research station for the Murray-Darling Basin was to be placed in southern Queensland—some suggested Goondiwindi. I am only too happy to have it in St George. Because there is so much anecdotal evidence without an empirical backup, will that be progressed again to get further research facilities into the northern part of the basin so we can dispel some of the arguments that turn into urban myths and float all around the basin, such as Queensland uses all the water when we use less than five per cent of the extraction of the Murray-Darling Basin?

Senator Wong—Where are you reading from, Senator?

Senator JOYCE—They are my notes.

Senator Wong—I was not playing games; I am trying to find out what are you referring to.

Senator JOYCE—In the five per cent?

Senator Wong—No, not that. I do not want to get into that argument.

Senator JOYCE—The fact that New South Wales uses far more than us?

Senator Wong—No, the issue of the northern MD—

Senator JOYCE—Mr Thompson probably knows about—

Senator Wong—Is this previous government—

Senator JOYCE—Yes. There was always a suggestion, and it was a countervailing opinion. You could get proper empirical evidence on the board about where the water is coming from, how much is turning up and how much is going through—and how much is getting absorbed by flood plains—because there was a belief by some senators, even of my own side, that, with every drop of water that fell in Toowoomba, if you just waited long enough it would arrive at Murray Bridge, which of course does not happen. Even without human habitation, it would never get there.

CHAIR—Is there a question that needs answering here?

Senator JOYCE—Yes. Are we looking at a research facility? Are we looking at a drive for greater empirical research through an establishment in the southern part of Queensland, which is the northern part of your Murray-Darling Basin?

Mr Slatyer—I was really seeking clarification as to whether that is a question.

Senator JOYCE—Mr Thompson might know a bit more about it. You might want to refer it to him.

Mr Thompson—I am aware of the facility that you are talking about. This related to freshwater ecology, I think, in the northern part of the basin.

Senator JOYCE—Yes.

Mr Thompson—It was closed down. I know that the Murray-Darling Basin Commission, which is not a Commonwealth body but a partnership body, did have some research into the flows in the northern part of the basin in particular and were looking at this, but I am not aware of any active consideration of opening up such a research centre again in the northern part of the basin. I am open to be corrected on that by water colleagues, but I am not aware of any.

Senator JOYCE—Thank you very much.

Senator ALLISON—Just a quick question about the \$1 billion that Labor proposes to spend on desalination and other water projects. Has any commitment been made to the federal government funding part of the Victorian desal project?

Senator Wong—As I said—but you may not have been here, Senator—we do have the \$1 billion urban water and desalination plan. The details of that will be announced by the government in due course. I have not made any commitment. It would not be appropriate, other than with respect to election commitments, for me to make any commitments to projects in advance of the program guidelines being determined and being made public.

Senator ALLISON—Can you indicate whether it qualifies on your carbon neutrality condition?

Senator Wong—I could not do that.

Senator ALLISON—I am interested in water allocations. How many purchases of permanent water allocations for the environment have been made in the Murray-Darling Basin by the Commonwealth?

Senator Wong—Under the previous government, none. I have announced that we will commence water purchase within this six-month period—that is, prior to June—and further

details of that will be made public in the near future. As I think I have said previously to Senator Macdonald, there have been investments by I think this government and previous governments through the Living Murray initiative, which is the MDBC managed program. But, as to direct Commonwealth purchase, there were none under the previous government.

Senator ALLISON—Yet.

Senator Wong—There were none under the previous government, and we will be making some in the very near future.

Senator ALLISON—Is the department keeping an eye on the cost of trading in permanent water allocations? Media reports say that that has increased by 2,000 per cent. Can you confirm that that is the case?

Senator Wong—This is the issue of the efficiency of the water market, the issue that we discussed previously?

Senator ALLISON—It is about trading in permanent water allocations and the cost having to be paid for them.

Senator Wong—Sorry—I was trying to clarify it. Are you talking about the operation of the market, because Senator Birmingham asked some questions about the rigidity or otherwise of the market in terms of interstate transfers, or are you talking about the price of water?

Senator ALLISON—The price of water.

Senator Wong—The price of water is higher because the resource is scarcer.

Senator ALLISON—Yes, but is it 2,000 per cent, as has been reported in the media? Are you monitoring this to the extent that you can say what the increase has been?

Dr Horne—The price of water in the market in different parts, particularly the southern Murray-Darling Basin, is what we are really talking about here, and that has been going up and down by considerable amounts. At one point I think with the spot price the temporary water trades were in excess of \$1,000 a megalitre. Over recent weeks they have fallen down to \$300 or \$400, and in the last couple of weeks they might have gone back up a little bit. We can give you a chart which captures the essence of price movements, if you would like.

Senator ALLISON—That would be good. Thank you.

Senator Wong—Could I add very briefly that I am very much aware of the movements in the price of water. Certainly when I went to the Riverland just before Christmas, that was an issue that irrigators raised with me. There had been very substantial movements in the price, which meant it was difficult for them to financially plan. We are very conscious, and I am very conscious, of the impact on individuals and families, but ultimately one of the reasons water is becoming more expensive is that there is less of it. Governments cannot make it rain.

Senator ALLISON—I understand that. In that work that you have done, do you have any advice to provide about the impact on particular kinds of farming—on dairy farmers, horticulture? Has work been done on that?

Dr Horne—We have not done any work, and it would not be within our area to do work on impacts. Clearly, who the willing sellers are and who the willing buyers are is really out there in the market according to the demands for the water at the time.

Senator ALLISON—You are not trying to understand what is actually going on?

Dr Horne—Certainly, but the work on impacts is done more in the Department of Agriculture, Fisheries and Forestry.

Senator ALLISON—To your knowledge, do they have such an analysis?

Senator Wong—Yes. Minister Burke has, during his listening tour and subsequently, talked about the importance of interaction with the agricultural sector so farmers and government ensure that people go away more prepared for the impacts of climate change than before they engaged with government. We are very conscious of the importance of assisting and supporting the agricultural sector, whether that be irrigation or other forms, to prepare for the impacts of climate change and to adjust to the impacts of climate change. In the context of the Murray-Darling Basin, I would hope that, as part of the discussions around the sustainable cap across the basin, that would give industry some indication of where their sustainable future lies. Clearly a lot more discussion and consultation needs to occur on that.

Senator ALLISON—I would imagine some of that impact, because of the cost of water and the lack of it, would already be there. We are not talking about some future scenario.

Senator Wong—No, you are right.

Senator ALLISON—Aren't we talking about here and now?

Senator Wong—Yes, we are, and I am very aware of that.

Senator ALLISON—Has the department done any analysis of whether the market is as effective as it might be? The market is determining water allocations, basically.

Mr Matthews—Before I start, perhaps I should add that the figure of 2,000 per cent increase should not really be left out there. I do not believe that there has been anything like a 2,000 per cent increase. There have been quite substantial increases but not 2,000 per cent. I think it would be wrong to let that pass unremarked. The issue certainly includes variability in the market. That is one of the concerns. There is certainly a need for improved transparency in the market, and that is something that the intergovernmental processes will be trying to improve as well. As the minister has said, one of the objectives of all governments will be to try to reduce the costs of trading and to give good access to trading markets.

Coming to your question, the commission has done some work on the impacts of water trade. We did that in collaboration with the MDBC and with RIRDC—the Rural Industries Research and Development Corporation. One of its important findings was that already trading is helping. When things are as tough as they are out there at the moment, water trading was helping people make the adjustments that need to be made. While I do not kid myself that water is universally popular out there, many of the people most affected are finding that that is a way of dealing with some very difficult circumstances that they are in now.

Senator ALLISON—By helping, you mean it pushes them to a decision that they might otherwise take longer to make—that is, to leave the land?

Mr Matthews—Yes, or it does not push them but gives them an opportunity to take decisions that would not be possible otherwise.

Senator ALLISON—What do you mean by ‘opportunity’?

Mr Matthews—If the market were not there—or if, for example, water entitlements were still tied to land title—it would be much more difficult for people to move in and out of the industry, and that is to their benefit, financially and in a personal sense.

CHAIR—I am sorry, but we are going to have to move on. I have three more questions from senators and five minutes to go. Do you have one quick last question?

Senator ALLISON—How to choose? Has Victoria finally come on board with the national plan?

Senator Wong—We did canvass this response.

Senator ALLISON—Okay, forget it, I will not waste my question.

Senator Wong—I am just saying, we are progressing negotiations. I am meeting again with Minister Holding I think on Monday.

Senator ALLISON—What is the issue that is finally being worked through?

Senator Wong—There is a number of issues. As you would be aware, Senator Allison, your state was not able to come to agreement with the federal government over a number of months last year. We are seeking to progress those negotiations. There is a number of issues on the table.

Senator ALLISON—Like what?

Senator Wong—I will not go into the detail of those because I want to maximise the prospect of those negotiations succeeding. I certainly do not want to do it with hundreds of other people in the room, as it were, metaphorically.

Senator ALLISON—I just have one question on the MIS schemes. As to your travelling around, has that—

Senator Wong—Yes, it has been raised with me.

Senator ALLISON—As a result of being raised with you, is the government taking further action and reducing the time frame on the closure of the tax incentive?

Senator Wong—That issue is not within my portfolio. That matter has been raised with me by a number of people, particularly in the irrigation industries, and it is something I am aware of. The government has not made any decisions in respect of that issue.

Senator ALLISON—Is a moratorium on further planning under the MIS schemes on the list of items you are considering?

Senator Wong—It is not an issue within my portfolio. You would have to address those issues, I assume, to the Treasurer, as a tax measure.

Senator ALLISON—The Treasurer is deciding; is that what you mean?

Senator Wong—I am just getting advice here. It is a Tax Act.

Senator ALLISON—I know it is a Tax Act, but the impact is on water, surely, for irrigators?

Senator Wong—It is not just water, and in fact I am sure Senator Macdonald and Senator Abetz, if he were here, would give you views about other impacts. There is a range of views on both sides of the parliament about this issue. It is not an issue within my portfolio, but it is an issue of which I am aware. I cannot take the matter any further.

Senator SIEWERT—Is the commission continuing on with the work that has been started on the New South Wales northern rivers assessments? What is the status of that work?

Mr Matthews—No, we are not continuing on with that work at all.

Senator BIRMINGHAM—Are the efficiency dividends outlined for the National Water Commission in addition to the other program cuts that we canvassed earlier and that were announced by Minister Tanner?

Senator Wong—The efficiency dividend was a pre-election commitment and applies across government, except I think for a couple of departments. I will let Mr Matthews respond.

Mr Matthews—I confirm what the minister has said. The same applies to the commission as applies elsewhere across government.

Senator BIRMINGHAM—The \$48 million to be cut this year is in addition to the other \$50 million in programs that we canvassed earlier?

Mr Matthews—Did you say \$48 million? No, fortunately it is not \$48 million.

Senator BIRMINGHAM—It is \$48,000, sorry. That is a relief.

Senator Wong—I hope that is not an indication of your economic literacy, Senator Birmingham, that you missed the three zeros on the end of a budget line item.

Senator BIRMINGHAM—Indeed; that is a big relief. We will put that one aside.

Mr Matthews—It is a bigger relief for me, I can tell you.

Senator BIRMINGHAM—So we still have the \$50 million from the earlier—it was worth checking.

Senator Wong—Mr Matthews is just recovering over here.

Senator BIRMINGHAM—It was worth checking, indeed. Poor Mr Matthews; I do apologise for his shock. With respect to the north-south Victorian pipeline that Senator Macdonald mentioned previously, I understand it has been declared a controlled action under the EPBC Act. I realise that we dealt with questions on that the other day. In the absence of knowledge, it seemed, from the minister or the officials, I gather there are Ramsar listed sites within that area as well. Is it under consideration by any of the water agencies?

Senator Wong—Before I turn to Mr Borthwick on this, as I said, I did not recollect an election commitment on this specific issue when you raised it, and I think that has been confirmed. In terms of EPBC Act matters, they are matters in Mr Garrett's portfolio as you would know. Obviously I represent Mr Garrett but we do not actually have the officials from

that section here because we were dealing with water. Mr Borthwick can provide some further information.

Mr Borthwick—That Sugarloaf pipeline is a controlled action under the EPBC Act. My recollection is that Victoria did not have a particular route that that pipeline was to take. There was a number of different options that they were looking at in terms of the routing of the pipeline. It involves considerable clearing of vegetation and other effects as you mentioned.

We deemed it prudent, because depending on which route it took it could affect wetlands and, I think from memory, about half a dozen different threatened species, to make it a controlled action. It is something we will work through with Victoria in terms of how that process moves forward, but we are very conscious of it.

Senator BIRMINGHAM—Just quickly, the government stated that the need to restore in the order of 500 billion litres to the Murray-Darling system was a matter of urgency, in part of your overall 1,500 billion litre commitment, which of course we all support.

Senator Wong—Do you?

Senator BIRMINGHAM—What is the matter of—

Senator Wong—I am sorry, I was not aware of that. Is that the opposition's position?

Senator BIRMINGHAM—What is the matter of—

Senator Wong—No, sorry, Senator Birmingham, is that the case?

Senator BIRMINGHAM—I am committing my support.

Senator Wong—It has your support. Is that the opposition's position?

Senator BIRMINGHAM—What is the time line for that matter of urgency for the 500 billion litres?

Senator Wong—We will act urgently, which is why I have announced the direct purchase of water from the Commonwealth. We will do as much as we can as quickly as we can to restore water to the Murray River. I am interested that you have indicated that. I could be wrong, but I did not know that that was the opposition's position in relation to the 1,500 billion figure. I do not know if you have spoken to Senator Joyce about that. It is not Senator Joyce's position. So, Senator Birmingham's position and Senator Joyce's position are different.

Senator IAN MACDONALD—Could I put two questions on notice?

CHAIR—Certainly.

Senator IAN MACDONALD—Of those the minister invited to rejoin the Northern Australia Land and Water Taskforce, which have accepted? Perhaps you could tell me that now, very quickly, Minister?

Senator Wong—I do not have that information to hand. Can I be clear that my recollection is that I invited those persons with economic, business and scientific expertise. I do want to say though that I took a decision to take politicians off that taskforce, but I want to place on record that I think Senator Heffernan did a very good job in the work that he undertook there.

He made a very strong bipartisan contribution to policy thinking in that area, and I want to place on record my thanks to him for the work he did.

Senator IAN MACDONALD—Thank you, Minister. You said that in your media release, as I did in my media release congratulating you for keeping it—

Senator Wong—Did you congratulate me, Senator Macdonald? I missed that.

Senator IAN MACDONALD—I did, indeed.

Senator BIRMINGHAM—He was very generous.

Senator IAN MACDONALD—I felt sure it would have been pasted up on your wall, Minister.

Senator Wong—Senator Macdonald, I am sorry to say that I do not hang on your every word to that extent.

CHAIR—One more question on notice, Senator Macdonald.

Senator IAN MACDONALD—What is the government's intention with the Murray-Darling Basin Commission, the Murray-Darling Basin Authority and the National Water Commission? Will they all continue?

Senator Wong—I think I have made that clear. Is this on notice?

Senator IAN MACDONALD—If you can answer it now—

Senator Wong—Sorry, I am cutting into my climate change department.

Senator IAN MACDONALD—I thought you were staying for climate change.

Senator Wong—I am. I would not mind a short break, if I could take one. The election commitment is for the rolling into one authority, so a single authority. I think I indicated to Senator Siewert previously that I do regard, and the government does regard, the dual structure as untenable in the longer term. There are functions in the Murray-Darling Basin Commission, however, which are very valuable. In order to achieve a single authority with the appropriate powers and appropriate expertise, obviously I want to progress negotiations with the basin states, and that is what I am doing.

Senator IAN MACDONALD—That includes the National Water Commission?

Senator Wong—I have no intention of altering Mr Matthews' organisation. It provides independent advice to government.

Senator IAN MACDONALD—So the National Water Commission will continue?

Senator Wong—That is the intention.

Senator IAN MACDONALD—Thank you.

CHAIR—Thank you, Senators, and officers of the department and the commission. Thank you, minister.

Senator Wong—We have some information to table for Senator Siewert, I think.

Dr Horne—Yes, information on the Murray-Darling Basin.

CHAIR—That completes the examination of the Environment, Water, Heritage and the Arts portfolio. Thank you everyone for your attendance.

Senator ALLISON—Could we all be provided with a copy of whatever is to be tabled for Senator Siewert?

Senator WEBBER—The secretariat will take care of that.

Senator Wong—Yes, we can do that. It is the storage information, I think.

Dr Horne—Yes.

Senator ALLISON—It is just a comment for documents to be provided to the committee, not just to individual senators.

Senator WEBBER—The secretariat will do that.

CHAIR—Can I remind senators that questions on notice should be lodged by close of business Monday. Thank you. Thank you to Hansard and the secretariat.

Committee adjourned at 10.05 am