



Australian Government

Department of Sustainability, Environment, Water, Population and Communities

Senator Doug Cameron  
Chair  
Senate Standing Committee on Environment and Communications  
Parliament House  
CANBERRA ACT 2600  
Email: ec.sen@aph.gov.au

Dear Senator Cameron

On 22 February 2011 I appeared as a witness before the Senate Standing Committee on Environment and Communications for the Budget Additional Estimates Hearing.

During the hearing, Senator Siewert asked a question regarding the formal requirements for the review of the National Water Commission. The question appears on EC 34 of the transcript.

In response to the question, I indicated that:

‘I can tell you about the formal requirements, which are that under the **Water Act**, and also under the national water initiative, which is the policy agreement between governments, there is required to be a review of the National Water Commission arrangements. That review will inform any future decision that might be taken about the future arrangements.’

I wish to advise that this statement should have been:

‘I can tell you about the formal requirements, which are that under the **National Water Commission Act**, and also under the National Water Initiative, which is the policy agreement between governments, there is required to be a review of the National Water Commission arrangements. That review will inform any future decision that might be taken about the future arrangements.’

Yours sincerely

Tony Slatyer  
First Assistant Secretary  
Water Reform Division

12 April 2011



**Senator BIRMINGHAM**—Before we do that, the authority is getting some extra money that has been appropriated to it, \$59 million over three years, to assist the MDBA in undertaking Basin planning activities. What are those activities?

**Mr Freeman**—I will refer the decision initially to the executive director, corporate services, because it is not all new money. I need to explain that, and then we can talk about the activities.

**Mr Nicholas**—There are three components to the new funding. There is funding for additional Basin plan activities, there is the Commonwealth contribution to some works at Hume Dam and there is also additional interest equivalency money, which is funds that have been earned on the balance of money we have in a special account.

**Senator BIRMINGHAM**—Are any of these activities ones that will save water through infrastructure works?

**Mr Nicholas**—No. The funding for the Basin plan is all funding for administrative activities, for the agency to be able to undertake its Basin plan functions effectively.

**Senator BIRMINGHAM**—That is probably all we need to know from the authority. We can ask the department about why the money came from where it came from.

**Senator JOYCE**—Sixty million dollars, to send it to a bureaucracy.

**CHAIR**—Thank you, Mr Freeman.

**CHAIR**—I now call on officers from the department in relation to program 4.1, water reform.

**Senator SIEWERT**—I have some questions that I think might belong here rather than with the commission, so I will try them out. I am interested in the future role of the National Water Commission. I understand that the commission's term is up fairly shortly; is that correct?

**Mr Slatyer**—Yes, under the National Water Commission Act that act terminates on 30 June 2012.

**Senator SIEWERT**—That is what I thought. I wanted to clarify that. Could you tell me what is the likely future of the commission under that act and what the department is thinking about in terms of where to from here?

**Mr Slatyer**—I can tell you about the formal requirements, which are that under the Water Act, and also under the national water initiative, which is the policy agreement between governments, there is required to be a review of the National Water Commission arrangements. That review will inform any future decision that might be taken about the future arrangements.

**Senator SIEWERT**—June 2012 is not that far away. What is the process in terms of undertaking that review and the time line until June 2012?

**Mr Slatyer**—The first step in that process is a review of the National Water Initiative itself, which the National Water Commission is currently undertaking. The final review of the arrangements is to be informed by the outcome of that review. So these things will follow in, I expect, quite rapid succession, for the reasons you were pointing out in terms of the time frame for making final decisions about all of this.

**Senator SIEWERT**—So the review of the initiatives is being undertaken by the commission?

**Mr Slatyer**—Yes.

**Senator SIEWERT**—When is that due?

**Mr Slatyer**—I think you will have to ask the commission about their schedule. My understanding is that they are aiming to have that completed by the middle of this year, to inform COAG decisions about the future of the National Water Initiative.

**Senator SIEWERT**—What happens from there? They are finishing their review. What happens from there in terms of process?

**Mr Slatyer**—Then, the review of the National Water Commission arrangements—it will be informed by the outcome of the National Water Initiative review—will then be completed and governments—and the initial establishment of the commission involved all the COAG governments—will then be in a position to make the decision they want about the future arrangements.

**Senator SIEWERT**—I appreciate that it is a policy issue. I am not going to ask about the policy; I know that I cannot. But I do want to know about the time line and what consideration is being given to the review of