

**Senate Standing Committee on Environment and Communications  
Legislation Committee**  
Answers to questions on notice  
**Sustainability, Environment, Water, Population and Communities portfolio**  
Budget Estimates, May 2013

<b>Program: Division:</b>	6.1: CEWO	<b>Question No:</b>	113
<b>Topic:</b>	Commonwealth Environmental Water - Staffing		
<b>Proof Hansard Page and Date or Written Question:</b>	39 (29/05/13)		

**Senator Joyce asked:**

Senator JOYCE: How many staff do you have?

Mr Papps: The current full-time equivalent staff numbers are 55.66.

Senator JOYCE: What is the average cost of each staff member?

Mr Papps: I would have to take that on notice.

**Answer:**

The average cost of each staff member is \$121,000 per annum. This includes salaries, leave, superannuation and allowances. This is based on, for April 2013:

- the number of staff members of the Commonwealth Environmental Water Office (CEWO), in full time equivalent terms, was 51.3; and
- CEWO employee expenses were \$516,605, which was an average of \$10,070 per employee for that month.

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<b>Program: Division:</b>	6.1: CEWO	<b>Question No:</b>	114
<b>Topic:</b>	Catchment by catchment allocations and deliveries		
<b>Proof Hansard Page and Date or Written Question:</b>	41 29/05/13		

**Senator Joyce asked:**

Can you provide figures on a catchment-by-catchment basis, that is, how much water has been allocated in each catchment in each year and how much water has been delivered in each catchment in each year?

**Answer:**

The figures are provided on the following page.

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Please note: Water allocated in some catchments of the southern connected Murray-Darling Basin may be transferred and delivered in other parts of the southern connected Murray-Darling Basin, subject to trade rules.

Catchment	2008-09		2009-10			2010-11			2011-12			2012-13			TOTAL	
	Allocation (GL)	Delivered (GL)	Carryover from 2008-09 (GL)	Allocation (GL)	Delivered (GL)	Carryover from 2009-10 (GL)	Allocation (GL)	Delivered (GL)	Carryover from 2010-11 (GL)	Allocation (GL)	Delivered (GL)	Carryover from 2011-12 (GL)	Allocation to 30 April 2013 (GL)	Delivered to 30 April 2013 (GL) *	Allocated (GL)	Delivered (GL)
Murray (NSW, VIC & SA)	2.0	10.0	0.2	91.0	47.9	25.6	261.9	66.9	108.6	458.5	343.4	197.5	590.2	522.8	1,403.6	990.9
Lower Darling	-	-	-	-	-	-	-	6.6	-	0.5	-	-	0.5	-	1.0	6.6
Loddon	-	-	-	0.0	-	0.0	1.3	0.4	-	1.6	1.6	-	2.7	2.7	5.6	4.7
Campaspe	-	-	-	-	-	-	5.5	2.1	2.3	4.7	6.5	-	6.9	6.7	17.1	15.4
Goulburn-Broken	0.2	-	-	22.3	-	0.0	72.2	52.5	18.5	105.0	144.5	10.7	191.2	215.4	390.9	412.4
Ovens	-	-	-	0.1	0.1	-	0.1	-	-	0.1	0.1	-	0.1	0.0	0.3	0.1
Murrumbidgee	-	-	-	16.1	48.7	7.4	78.6	193.3	-	138.3	83.0	24.3	147.6	156.0	380.6	481.1
Lachlan	0.0	-	-	0.1	-	0.1	97.5	6.7	92.3	47.4	20.2	115.9	0.7	0.2	145.7	27.1
Barwon-Darling	11.4	2.7	-	38.0	38.0	-	7.7	1.1	-	-	-	-	25.6	25.6	82.7	67.4
Warrego	-	-	-	12.2	12.2	-	16.1	16.1	-	33.9	33.9	-	-	-	62.1	62.1
Condamine-Balonne	-	-	-	4.5	4.5	-	-	-	-	3.1	3.1	-	59.7	59.7	67.3	67.3
Macquarie-Castlereagh	0.1	-	0.1	0.8	0.9	-	59.3	26.9	32.6	101.1	40.0	60.4	62.7	100.0	224.0	167.8
Namoi	-	-	-	0.1	-	0.1	6.8	-	6.9	5.4	-	12.2	1.0	7.7	13.3	7.7
Gwydir	-	-	-	-	-	-	76.7	13.1	63.6	73.2	1.2	134.3	15.1	24.6	164.9	38.9
Moonie	-	-	-	1.4	1.4	-	1.4	1.4	-	1.4	1.4	-	1.4	1.4	5.7	5.7
Border Rivers	-	-	-	0.4	-	0.5	5.2	-	5.7	4.5	1.0	9.1	2.1	2.5	12.2	3.5
Wimmera-Avoca	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>13.7</b>	<b>12.7</b>	<b>0.3</b>	<b>186.9</b>	<b>153.6</b>	<b>33.7</b>	<b>690.2</b>	<b>387.0</b>	<b>330.6</b>	<b>978.6</b>	<b>679.8</b>	<b>564.5</b>	<b>1,107.5</b>	<b>1,125.5</b>	<b>2,977.0</b>	<b>2,358.7</b>

\* - Further deliveries are expected in the remainder of 2012-13.

Please note that the aggregate of the total water allocated is 2,977 GL, rather than the figure provided at the Senate Estimates hearing (of 2,812 GL) due to a correction in the accounting of water coming out of spillable water accounts.

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<b>Program: Division:</b>	6.1: CEWO	<b>Question No:</b>	115
<b>Topic:</b>	Commonwealth Environmental Water – Assessment Report June 2012		
<b>Proof Hansard Page and Date or Written Question:</b>	43 (29/05/13)		

**Senator Joyce asked:**

Senator JOYCE: The Auditor General notes that in January 2012 the CEWO engaged the Australian Government Solicitor to identify and assess the sources of the CEWO's strategic, legal and governance risk and identify appropriate treatments. The detailed assessment finalised in June 2012 indicated that risk treatment could reduce the ratings of most risk sources to medium or low. Can the CEWH provide a copy of this report?

Mr Papps: Yes, Senator.

Senator JOYCE: What were the risks which were identified?

Mr Papps: I do not have the detail in front of me. I can provide that information, though.

Senator JOYCE: Will that also deal with what risk treatments could reduce the ratings of most risk sources from medium or low?

Mr Papps: Yes, Senator.

**Answer:**

Please see the response to the question on notice from Senator Ruston on the same topic (QoN No. 121).

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**Program: Division:** 6.1: CEWO **Question No:** 116

**Topic:** Commonwealth Environmental Water  
– Budget Statements

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Ruston asked:**

DSEWPaC Budget Statements, pg 79 (Program Expenses 6.1: Commonwealth Environmental Water) – line ‘annual department expenses: departmental program support’ shows a reduction of approximately \$5.3 million. What functions are funded by this line item?

**Answer:**

This line item supports the Commonwealth Environmental Water Holder to fulfil the statutory functions of managing the environmental water holdings, and administering the Environmental Water Holdings Special Account.

Specific functions funded by this line item include the departmental costs of: planning and arranging the delivery of Commonwealth environmental water across the Murray-Darling Basin; maintaining an up to date record of the Commonwealth environmental water holdings; monitoring ecological response to water deliveries; management of the holdings; stakeholder engagement; reporting; and financial management. This line item also includes a contribution towards corporate support.

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**Program: Division:** 6.1: CEWO **Question No:** 117

**Topic:** Commonwealth Environmental Water  
– Budget Statements

**Proof Hansard Page and Date** Written

**or Written Question:**

**Senator Ruston asked:**

DSEWPaC Budget Statements, pg 77 (Table 6.1: Budgeted Expenses for Outcome 6) – the table shows the average staffing level (number) dropping from 75 to 63. What positions will be lost?

**Answer:**

The revised staffing levels include positions in corporate areas that support the Commonwealth Environmental Water Office (CEWO), and positions within the CEWO. Within the CEWO, there will be a reduced number of positions in each of the Environmental Water Delivery Branch and the Policy and Portfolio Management Branch through vacant positions not being filled and voluntary redundancies, particularly in delivery and portfolio management sections. The CEWO will allocate the available resources to priorities.

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**Program: Division:** 6.1: CEWO **Question 118**  
**No:**

**Topic:** Commonwealth Environmental Water  
– Water charges

**Proof Hansard Page and Date** Written

**or Written Question:**

**Senator Ruston asked:**

How much is the CEWO currently paying in water charges and fees on the water it owns on behalf of taxpayers?

**Answer:**

As at 21 June 2013 the Commonwealth Environmental Water Office has paid \$8.1 million in fixed entitlement fees and \$5.1 million in variable use fees in 2012-13. This totals \$13.2 million. A breakdown is provided below.

Fixed and variable costs for 2012-13 as at 21 June 2013

<b>Fees charged by</b>	<b>Fixed Fees (\$ m)</b>	<b>Variable Use Fees &amp; Channel Fees (\$ m)</b>
Department for Water – South Australia	0.519	-
Goulburn-Murray Water & Lower Murray Water – Victoria	4.520	0.020
Coliban Water – Victoria	0.005	-
State Water Corporation (Incorporating NSW Office of Water ) – NSW	2.548	5.074
Murray Irrigation Limited – NSW	0.408	-
Department of Environment and Resource Management – Queensland	0.055	-
<b>Total</b>	<b>8.056</b>	<b>5.094</b>

Note: Total figures may be ± 0.001m due to rounding of sub-totals.

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**Program: Division:** 6.1: CEWO **Question 119**  
**No:**

**Topic:** Commonwealth Environmental Water  
– Water charges

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Ruston asked:**

What sort of increases is the CEWO anticipating it will have to pay per annum to the states for the water it holds?

**Answer:**

Current estimates of payments to the states for water entitlement fees and charges, and variable (use) fees and charges are:

- \$13.2 million for 2012-13;
- \$14.2 million for 2013-14;
- \$16.7 million for 2014-15; and
- \$20.4 million for 2015-16.

Therefore, the increases relative to 2012-13 for these fees and charges are:

- \$1.0 million in 2013-14;
- \$3.5 million in 2014-15; and
- \$7.2 million in 2015-16.

These estimates are subject to change. The actual expenditure will depend on factors including the Commonwealth's entitlement holdings, water availability in any year (which reflects weather), and fees set by regulators.

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**Program: Division:** 6.1: CEWO **Question No:** 120

**Topic:** Commonwealth Environmental Water  
– Water charges

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Ruston asked:**

Have any of the States tried to put additional fees or charges onto the CEWO that are not currently paid by other productive water entitlement holders?

**Answer:**

Generally, the Commonwealth pays the same fees and charges as other entitlement holders.

In a small number of Queensland water supply schemes it is possible for the Commonwealth to be charged a cost reflective price and for other entitlement holders to be charged a subsidised rate under the Queensland Rural Water Pricing Direction Notice (No.1) 2012.

Currently this increased charge only applies to the Commonwealth's Border Rivers (Macintyre Brook) holdings. This is a small scheme, and as at 30 April 2013, the Commonwealth held 207 megalitres of entitlement in this scheme.

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**Program: Division:** 6.1: CEWO **Question No:** 121

**Topic:** Commonwealth Environmental Water  
– Assessment Report June 2012

**Proof Hansard Page and Date** Written

**or Written Question:**

**Senator Ruston asked:**

The Auditor General notes “In January 2012, the CEWO engaged the Australian Government Solicitor (AGS) to identify and assess the sources of CEWO’s strategic, legal and governance risks and identify appropriate treatments. The detailed assessment, finalised in June 2012, indicated that risk treatments could reduce the ratings of most risk sources to ‘medium’ or ‘low’.” Can the CEWO provide a copy of this report?

- a. What are the risks which were identified?
- b. What type of ‘risk treatments’ could reduce the rating of most risk sources to ‘medium’ or ‘low’?
- c. What are the risks currently rated at?

**Answer:**

The *Assessment of legal and governance risks for Commonwealth environmental water management* prepared by the Australian Government Solicitor includes and considers legal advice that explores matters in relation to which the Commonwealth could be expected to claim legal professional privilege in any litigation against the Commonwealth Environmental Water Holder, but also matters which may have implications for other Commonwealth activities.

The release of advice that explores legal matters would go against long established convention and practice. It has been recognised by successive governments for the need for such material to remain confidential.

- a. Four risks were identified:
  - Risk 1: Failure to demonstrate environmental outcomes that meet the requirements of relevant legislation, key agreements and Australian Government policies
  - Risk 2: Failure to appropriately manage operational arrangements
  - Risk 3: Failure to appropriately manage the Commonwealth environmental water portfolio
  - Risk 4: Lack of, or failure to appropriately manage, resources (people, information and finances).
- b. Risk treatments being implemented to manage these risks include:

- improving data management systems through the updating of the Environmental Asset Database and developing the Environmental Water Management System
  - improving stakeholder engagement and communication, including through placement of local engagement officers
  - acquisition of monitoring and other knowledge/information, including through the implementation of the Commonwealth Environmental Water Monitoring, Evaluation, Reporting and Improvement Framework
  - developing protocols and procedures for the trade of water entitlements and allocations
  - development or updating of standard operating procedures for the management of the holdings
  - clarifying arrangements with delivery partners regarding Commonwealth environmental water delivery, including ensuring processes in place to avoid unintended flooding of private property are adequate
  - planning for alternative future scenarios, including in relation to reduced resource availability.
- c. Each of the four risks currently have at least one source of risk with a high residual risk rating, but after treatments are implemented the highest rating for a source of risk for risks 1, 3 and 4 is expected to be medium.

After treatments are implemented, it is expected that risk 2 (*Failure to appropriately manage operational arrangements*) will continue to include two high-rated sources of risk:

- the likelihood of reputational consequences arising from members of the public perceiving the occurrence of Commonwealth environmental water use breaching the *Environmental Protection and Biodiversity Conservation Act 1999* (rather than the actual likelihood of such a breach occurring)
- the very significant consequences of Commonwealth environmental water use having unintended negative impacts on people or property, even though the likelihood of that happening is very low.

In its 2013 report on Commonwealth environmental watering activities, the Australian National Audit Office concluded that the preparation of a 'fit-for-purpose legal and governance risk assessment has better positioned the CEWO to managed the diverse range of risks that arise from the delivery of environmental water'. As a result, the Auditor General considers that organisational risks to the management of Commonwealth environmental water are now 'appropriately assessed and treatments identified and monitored'.

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**Program: Division:** 6.1: CEWO **Question No:** 122

**Topic:** Commonwealth Environmental Water  
– Metering and monitoring

**Proof Hansard Page and Date** Written

**or Written Question:**

**Senator Ruston asked:**

The Auditor General notes a lack of metering and monitoring of environmental water releases by the CEWO. What provision is there in the CEWO's budget for metering and monitoring?

- a. How will metering and monitoring work and across how many sites will it operate?
- b. What other agencies (both State and Federal) will be involved in metering and monitoring of the CEWO's watering actions?
- c. Have there been funding cuts within any of these organisations which will impact on metering and monitoring?

**Answer:**

The budget for monitoring is \$27.17 million over the forward estimates period to 2016-17.

- a. All watering actions are supported by operational monitoring (including metering where appropriate) to ensure that water is delivered to sites as planned. Commonwealth environmental watering is fully accounted in accordance with entitlement conditions.
- b. State and Federal delivery partners that undertake operational monitoring on behalf of the Commonwealth Environmental Water Office include:
  - Murray-Darling Basin Authority
  - New South Wales Office of Environment and Heritage
  - New South Wales Office of Water
  - New South Wales State Water
  - Queensland Department of Natural Resources and Mines
  - SA Water
  - South Australian Department of Environment, Water and Natural Resources
  - Victorian Catchment Management Authorities.
- c. Questions relating to funding of other State and Federal agencies should be directed to those agencies.

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<b>Program: Division:</b>	6.1: CEWO	<b>Question No:</b> 210
<b>Topic:</b>	Total water delivered since commencement of the program	
<b>Proof Hansard Page and Date or Written Question:</b>	39 (29/05/13)	

**Senator Joyce asked:**

Senator JOYCE: Over the past five years, how much water has the water holder delivered to the environment?

Mr Papps: The total delivered since the commencement of the program five years ago to 30 April is 2,359 gicalitres.

Senator JOYCE: You were allocated 2,978, is that correct?

Mr Papps: The figure I have is 2,812 gicalitres, but I will check that during the day and let you know.

**Answer:**

The total water allocated is 2,977 gicalitres, rather than the figure provided at the Senate Estimates hearing (of 2,812 gicalitres) due to a correction in the accounting of water coming out of spillable water accounts.