

P.O. Box A2208
Sydney South NSW 1235
Australia
www.taxpayers.org.au
www.mychoice.org.au
(02) 8964 8651



**SENATE ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE —SUBMISSION OF THE
AUSTRALIAN TAXPAYERS' ALLIANCE (ATA) ON THE MURRAY-DARLING BASIN COMMISSION OF
INQUIRY BILL 2019**

26 July 2019

- 1 The Australian Taxpayers' Alliance (ATA) thanks the committee for the opportunity to provide comments on the abovementioned bill and thanks Senator Hanson-Young for introducing it.
- 2 The ATA is a 75,000+ member national grassroots taxpayers' advocacy group which stands for the principles of individual freedom, minimising government waste, promoting government transparency and accountability, and delivering value for and protecting the welfare and interests of Australian taxpayers.
- 3 **The ATA welcomes a Murray-Darling Basin Commission of Inquiry in light of the \$8.5 billion in revenue that Australian taxpayers have contributed for the health of the river system.**¹ The ATA is concerned that this exorbitant and substantial expenditure has not delivered adequate environmental or economic returns and has failed to meet the purported objectives of the laws that govern Australia's water management.
- 4 The ATA is especially concerned by revelations highlighted by the recent ABC *Four Corners* investigation into the Murray-Darling basin authority which revealed, among other things, that the body's irrigation grants scheme has potentially mismanaged taxpayer funds through its opaque decision-making and questionable grants which in some cases amount to corporate welfare.² For example, one company alone, Webster Ltd., reports that it received \$41 million in taxpayer-funded water infrastructure subsidies in return for surrendering water licenses valued at just \$22 million.³
- 5 The ATA believes in the need for greater transparency and accountability in the administration of the Murray-Darling Basin scheme to ensure that conflicts of

¹ Angus Grigg, "Murray-Darling in worse condition despite \$8.5b spend" *Australian Financial Review* 26 April 2019.

² "Four Corners can reveal that more than \$4 billion in Commonwealth funds has been handed over to irrigators, which has allowed them to expand their operations and use more water under the \$5.6 billion water infrastructure scheme — the centrepiece of Australia's \$13 billion Murray-Darling Basin Plan." Sean Rubinsztein-Dunlop, Mary Fallon, Lucy Carter and Michael Slezak, "How taxpayers are funding a huge corporate expansion in the Murray-Darling Basin" *ABC News* 8 July 2019.

³ Ibid.

- interest are avoided, that the intended outcomes of the scheme are met, and that the outcomes stipulated remain relevant for the purposes of ensuring the health and sustainability of the Murray-Darling basin whilst delivering fairness and equitable water access to stakeholders including the nation's farmers.
- 6 The ATA believes that proper stewardship of taxpayer funds cannot be achieved unless these outcomes are being met and supports a rational appraisal and investigation of the scheme and its outcomes which takes into account the comments, evidence and views of relevant stakeholders. It is submitted that a commission of inquiry which undertakes this task is desirable in order to reform our existing laws and the operation of the Murray-Darling Basin Authority sensibly and in the national environmental and economic interest.
- 7 For example, the ATA notes that the National Water Commission (2004-2014) used to audit the effectiveness of implementation of the [Murray-Darling Basin](#) Plan and associated water resource plans through biennial assessments and the monitoring of expenditures and outcomes.⁴ Since it was abolished in 2014, purportedly because of "*the substantial progress already made in water reform and the current fiscal environment*";⁵ most of the Water Commission's functions have instead been delegated to existing and non-specialised Commonwealth government agencies whose reporting, monitoring and auditing standards are different and not as comprehensive (such as the Productivity Commission and the Department of Environment, for example). It is submitted that a commission into the Murray-Darling Basin Authority and the current adequacy of our water management regime and laws can ensure that best practice in transparent and accountable water resource management is upheld in the future.
- 8 **It is submitted that at bare minimum, the body which is in charge of administering the management of the Murray-Darling river basin and its water resources should be subject to proper oversight and verification of water savings, assessment and reporting of real-world outcomes from environmental water, and accurate assessment of the economic and environmental returns on taxpayer investment. It is submitted that this standard is not met by the current Murray-Darling Basin Authority and that reform of this body is therefore essential. A commission of inquiry into the basin can help achieve this, provided that it is conducted with full stakeholder consultation, and under appropriate and adequate terms of reference.**
- 9 **The ATA therefore emphasises the need for the terms of inquiry that govern any commission into the Murray-Darling Basin to be drafted with sufficient breadth to ensure that wrongdoers do not escape liability.**

⁴ *Water Act 2007* (Cth) Part 3—Audits by National Water Commission

⁵ Fifield, Mitchell (25 September 2014). "Senator the Hon". *Australian Senate Hansard*.

- 10 **It is further submitted that the Murray-Darling Royal Commission's terms of reference must include the investigation of any insider trading by senior politicians and bureaucrats, conflicts of interest in water trading and the 'efficiency grants', as well as the veracity of the Murray Darling Basin Authority's claims and the evidence that they're based on, such as the claim that the lower lakes at the Murray's mouth have always been fresh.**
- 11 The ATA thanks the committee again for the opportunity to provide these comments and hopes that the Australian government will proceed with the Murray-Darling Basin Commission of Inquiry. The ATA would welcome the opportunity to provide a detailed submission and comments to the commission if it went ahead.

Satya Marar

Director of Policy

Australian Taxpayers' Alliance (ATA)

1 Kings Cross Rd, Darlinghurst NSW 2010