

The Senate

Rural and Regional Affairs
and Transport
References Committee

Integrity of the water market in the
Murray-Darling Basin

Second interim report

March 2018

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Membership of the committee

Members

Senator Glenn Sterle, Chair	Western Australia, ALP
Senator Barry O'Sullivan, Deputy Chair	Queensland, NATS
Senator Slade Brockman	Western Australia, LP
Senator Anthony Chisholm	Queensland, ALP
Senator Malarndirri McCarthy	Northern Territory, ALP
Senator Janet Rice	Victoria, AG

Substitute members for this inquiry

Senator Alex Gallacher	South Australia, ALP
to replace Senator Malarndirri McCarthy	
Senator Sarah Hanson-Young	South Australia, AG
to replace Senator Janet Rice	
Senator Jenny McAllister	New South Wales, ALP
to replace Senator Anthony Chisholm	

Other Senators participating in this inquiry

Senator Cory Bernardi	South Australia, AC
Senator Sterling Griff	South Australia, NXT
Senator Skye Kakoschke-Moore (to 22 November 2017)	South Australia, NXT
Senator Rex Patrick (from 15 November 2017)	South Australia, NXT
Senator Nick Xenophon (to 31 October 2017)	South Australia, NXT

Secretariat

Dr Jane Thomson, Secretary

Ms Sarah Redden, Principal Research Officer

Ms Trish Carling, Senior Research Officer

Ms Lillian Tern, Senior Research Officer (from 23 October 2017)

Ms Helen Ulcoq, Research Officer

Mr Michael Fisher, Administrative Officer

PO Box 6100

Parliament House

Canberra ACT 2600

Ph: 02 6277 3511

Fax: 02 6277 5811

E-mail: rrat.sen@aph.gov.au

Internet: www.aph.gov.au/senate_rrat

Second Interim Report

1.1 On 16 August 2017, the following matter was referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 5 December 2017:

The integrity of the water market in the Murray-Darling Basin, with particular reference to:

- (a) the allegations of theft and corruption in the management of water resources in the Murray-Darling Basin,
- (b) the investigation and public disclosure by authorities, including the New South Wales Government and the Murray-Darling Basin Authority, of reported breaches within the Murray-Darling Basin, including the Barwon-Darling Water Sharing Plan,
- (c) the actions of member states in responding to allegations of corruption and the potential undermining of the Murray-Darling Basin Plan,
- (d) the use of Commonwealth-owned environmental water for irrigation purposes, and the impact on Basin communities and the environment,
- (e) the operation, expenditure and oversight of the Water for the Environment Special Account, and
- (f) any other related matters.¹

1.2 The committee tabled an interim report on 5 December 2017, which recommended that the reporting date for the inquiry be extended to 28 March 2018. On 5 December 2017 the Senate granted this extension.²

1.3 The interim report detailed the committee's intention to conduct additional hearings and to travel to Brewarrina, NSW, for a further site visit and public hearing.

Conduct of the inquiry

1.4 On 31 October 2017 the committee travelled to Broken Hill and undertook a site visit around the region. This was followed by public hearings in Broken Hill on 1 November 2017, and Adelaide on 2 November 2017.

1.5 However, during the course of the public hearing in Adelaide, statements were made by a senator, which, in the committee's view, reflected negatively on the value of the committee's inquiry. By bringing into question the integrity of the committee process, the comments had the effect of undermining the committee's collegial working relationship and threatened the committee's reputation. The comments had the potential to diminish the impact of the committee's inquiry and final report.

1 *Journals of the Senate* No. 54, 16 August 2017, p. 1733.

2 *Journals of the Senate* No. 77, 5 December 2017, p. 2462.

1.6 These concerns were reflected in the views expressed in a dissenting report to the committee's first interim report by coalition senators, who subsequently withdrew their participation from the inquiry.

1.7 Thereafter, the committee was unable to progress the inquiry as anticipated. Difficulties in establishing quorum prevented the committee from conducting public hearings and deliberating on the evidence as expected.

1.8 The committee has been deeply disappointed by the impact of these events and regrets that its efforts to address the matter have proven to be fruitless. The committee has a long history of working in a collegiate and cooperative manner and regrets that these issues have obstructed its ability to progress the inquiry. They highlight the fundamental importance of all senators working together cooperatively to progress an inquiry.

1.9 However, the committee is determined that these matters do not inflict damage on the inquiry process and cause further delay, particularly given the valuable time and effort that submitters and witnesses have put into contributing to the inquiry. Therefore, the committee is resolute that its work now continues without any further delay to enable it to fulfil its obligations by inquiring into the terms of reference before it and reporting to the Senate.

1.10 The evidence so far received, coupled with the material gathered by the respective reviews and investigations being undertaken in relation to Murray-Darling matters, has provided the committee with considerable insight into the concerns of the communities along the Barwon-Darling and greater Murray-Darling systems. The committee now expects to progress the inquiry by conducting further hearings and deliberating on the evidence before reporting back to the Senate with a final report.

1.11 As articulated in its first interim report, the committee will focus its attentions on considering evidence about methods to improve compliance, transparency and monitoring of water use across the Basin.

1.12 It is the committee's view that sufficient time should be provided to allow public hearings to occur and to enable the committee to properly consider the evidence before it.

1.13 Therefore, the committee recommends that the final reporting date for the inquiry be extended to 29 November 2018.

Recommendation 1

1.14 The committee recommends that the Senate grant an extension of time for the committee to report, to 29 November 2018.

Senator Glenn Sterle

Chair