



Request for audit

4 May 2018

Mr Grant Hehir
Auditor-General Australian National Audit Office
19 National Circuit Barton ACT 2600
By email: grant.hehir@anao.gov.au

Dear Auditor-General,

Supply measure projects

We refer to the proposed amendment to the Murray-Darling Basin Plan. That amendment is based on 36 'supply measure' projects. Supply measures aim to achieve the same environmental outcome as under the original Basin Plan, but using less water. The Commonwealth has committed \$1.6 billion to implement these supply measures.

The supply measures have been developed under requirements of the Murray-Darling Basin Plan, the *Intergovernmental Agreement on Implementing Water reform in the Murray Darling Basin (IGA)*, and the *National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin*.

The business cases for the 36 supply measure projects were due for completion in April 2017 under the IGA. The Murray-Darling Basin Authority (MDBA) has not made the business cases or costings available to the public or the Senate. The MDBA has stated that the business cases have not been finalised, despite them forming the basis of the amendment.

The Department of Agriculture and Water Resources is required to prepare and publish an annual assessment report on each Basin State's performance against the *National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin* by 31 October each year. The assessment for the 2016-17 year has not been published. This document should contain information relevant to the supply measure projects.

The proposed projects represent a significant outlay of public monies and, if the amendment is successful, will reduce the water target for the environment by more than 20%. It is a matter of public interest and trust for the business cases, costings and annual assessment to be made available to the public and parliamentarians.

We believe that the amendment, if made, will be unlawful because the adjustment was not calculated in accordance with the method prescribed in the Basin Plan (2012). We have described why it is unlawful in our research *Desperate Measures*, which is attached.

We request that you undertake an audit of the SDL adjustment process, with reference to relevant financial and administrative requirements.

Yours Sincerely,

A handwritten signature in black ink that reads "Ben Oquist". The letters are cursive and slightly slanted to the right.

Ben Oquist
Executive Director
ben@tai.org.au
0419 704 095