



The Hon. David Littleproud MP

Minister for Agriculture and Water Resources
Federal Member for Maranoa

23 April 2019

Mr Grant Hehir
Auditor-General
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Dear Auditor-General

I am writing to request that the audit of purchases of environmental water by the Commonwealth, or on behalf of the Commonwealth, currently listed as a 'potential audit' be brought forward and expanded to cover all water purchases undertaken by the Commonwealth.

If you decide to conduct this audit, I suggest that it prioritise the large purchases of environmental water including, but not limited to, the purchase of 28.75 GL from Eastern Australia Agriculture. It is important that this also include previous major water purchases undertaken by the Commonwealth (and on behalf of the Commonwealth) since 2008 including significant purchases undertaken through open Tender.

I am aware of public scrutiny of these purchases given the relatively large sums involved. Transparency is important to ensure that the Government, on behalf of taxpayers, realises value for money in purchasing water for environmental purposes and I believe an audit of this nature would be beneficial for the future management of the Australian water market.

It is important to maintain public confidence in the Murray-Darling Basin Plan. The Plan is a bipartisan agreement that is key to ensuring a future for Basin communities and the health of the environment. A review that includes the tender and procurement processes undertaken by relevant Departments, tender evaluation criteria and assessment and the value of the water entitlements against the Plan's water recovery targets, would help maintain this confidence.

The Commonwealth has allocated \$3.1 billion towards purchases of environmental water to support the delivery of the Murray Darling Basin Plan. To date a total of \$2.5 billion has been expended through open tender and strategic buyback.

The Government recognises that you are independent and that the decision to audit, and when, rests with you. However, should you decide to prioritise this audit all documentation and relevant staff will be available to assist.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Littleproud', written over a light blue grid background.

DAVID LITTLEPROUD MP

cc. The Hon Tony Burke MP, Shadow Minister for the Environment and Water