Australian Government Crest and Inspector-General of Water Compliance Logo lockup

# Audit snapshot

October 2022

**Audit of Accounting for Interstate Trade in the Northern Basin**

**To provide assurance that appropriate systems are in place to properly account for interstate trade in the Northern Basin and that interstate trade data is accurately accounted for in reports submitted under section 71 of the Water Act 2007**

## Why we did this audit

* The accuracy of surface water and trade data is important as it is used to determine compliance with the annual Sustainable Diversion Limits under the Basin Plan as well as modelling for long term annual diversion limits.
* In the Northern Basin, interstate trade of surface water between NSW and Qld occurs only in the Border Rivers catchment.
* NSW and Qld have different accounting processes and systems for recording and reconciling interstate water trade data.

## Key facts

* The Basin States are required to provide the MDBA with an annual report which amongst other things includes details of the volume of water permitted to be taken, the actual take and details of trading in specific water resource plan areas.
* The combined SDL for the Border Rivers catchment was 669GL.
* 398 GL of water was used in the Border Rivers in 2018-19.
* 31.6 GL was traded between NSW and Qld in 2018-19.
* 30.8 GL of this interstate trade was from NSW to Qld.

## What we found

* The volume of water traded was not likely to have had any material impact on SDL compliance.
* The transfer of water through works that are permanently linked is not recognised as a trade by either NSW or Qld.
* Inconsistencies and inaccuracies in water accounting records
* No appropriate process in place to reconcile accounting differences between the states
* Take of water occurred in Qld before trades were approved.
* NSW do not require a meter reading to confirm water availability before a water trade is approved.

## What we recommended

* NSW and Qld must recognise transfers of water through works that are permanently linked as trades under the Basin Plan.
* Systems and process improvement to ensure that water trade data is accurately recorded.
* Regular reconciliation of water trade data to identify and resolve data integrity anomalies and ensure the accuracy of information reported.
* Qld must investigate and record the outcome of investigations in all instances where water was taken before the trade was approved.
* Meter reading data in NSW needs to be validated before a trade is approved.

## Key figures

* 5% The proportion of water inaccurately recorded from the sample set of interstate trades tested.
* 83% Proportion of interstate trades the result of transfer of water through works that are permanently

linked.

* 26.3GL Amount of water transferred between works that are permanently linked and not recognised

as a trade by either NSW or Qld