

s 22

-----Original Message-----

From: Colreavy, Mary
Sent: Tuesday, 2 May 2017 9:04 AM
To: s 47F
Subject: RE: [SEC=UNCLASSIFIED]

Great, talk soon.

Regards
Mary Colreavy
Tel: s 22 ; M: s 22

-----Original Message-----

From: s 47F
Sent: Tuesday, 2 May 2017 9:02 AM
To: Colreavy, Mary <Mary.Colreavy@agriculture.gov.au>
Subject: Re: [SEC=UNCLASSIFIED]

5 pm would be great.
I will send out some dial in numbers.

Thanks.

> On 2 May 2017, at 8:59 AM, Colreavy, Mary <Mary.Colreavy@agriculture.gov.au> wrote:

>

> Hi Matthew

> Yes, late Friday is fine for me. I am free from 4.30 - 5.30pm. Is this OK? Do you wish to make a more specific time?

>

> Regards

> Mary Colreavy

> Tel: s 22 ; M: s 22

>

> -----Original Message-----

> From: s 47F

> Sent: Tuesday, 2 May 2017 7:00 AM

> To: Colreavy, Mary <Mary.Colreavy@agriculture.gov.au>

> Subject:

>

> Hi Mary

>

- > Thanks for your time yesterday.
- >
- > Could we set up a time to talk on Friday, late afternoon.
- >
- > Connor Maloney who you will remember as the EAI Director who attended our meeting when we first met in Sydney would like to update you on where they are at with the farm sale process generally.
- >
- > Nothing formal and it will only be a short call.
- >
- >
- > Look forward to hearing from you later this week
- >
- > Thanks s 47F
- >
- >
- >
- >
- >
- > -----
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s 22

From: Ag Media <Media@agriculture.gov.au>
Sent: Thursday, 18 April 2019 6:22 PM
To: Ag Media <Media@agriculture.gov.au>; Morris, Paul <Paul.Morris@agriculture.gov.au>
Cc: Thompson, Malcolm <Malcolm.Thompson@agriculture.gov.au>; s 22
agriculture.gov.au>; Dadswell, Matthew <Matthew.Dadswell@agriculture.gov.au>; s 22
agriculture.gov.au>; Brown, Melissa <Melissa.Brown@agriculture.gov.au>
Subject: RE: [URGENT] MEDIA INQUIRY: The Project - EAA purchase [SEC=UNCLASSIFIED]

I've spoken to the producer, this will run on tonight's show.

They've requested interviews with Barnaby Joyce and Angus Taylor and have a unspecified 'water experts' on board (the Australia Institute??)

They say their background comes from Senate documents etc. and that it's a story they've been following for some time.

Kind regards

s 22

Director | Media & Social Media | s 22

From: Ag Media
Sent: Thursday, 18 April 2019 6:11 PM
To: Morris, Paul
Cc: Thompson, Malcolm ; s 22 ; Dadswell, Matthew ; Ag Media ; s 22
Subject: [URGENT] MEDIA INQUIRY: The Project - EAA purchase [SEC=UNCLASSIFIED]

Hi all

The Project have approached us with questions on EAA, draft responses below for consideration. Happy to accept advice on the approach to the final set of questions on the purchase—there may be some more relevant detail to include, happy to discuss. From the email it's not clear whether the producer has already prepared the story (can't find a written one online) I will call him shortly. If so it's pretty irresponsible not to come to us earlier—obviously inspired by the Guardian piece but the questions don't acknowledge their conclusions.

- **Barnaby Joyce, the former Water Minister, signed off on the water buyback from EAA for almost \$80 million dollars. What did the Australian Taxpayer get in return?**

- This purchase represented a unique opportunity to secure a significant volume of water in a catchment of particular strategic importance to achieving the triple-bottom line outcomes of the Murray-Darling Basin Plan.
- The water has clear and very significant environmental benefits for the Lower Balonne, including the Culgoa and the Narran Lakes—a Ramsar-listed wetland of international importance.

BACKGROUND

The Narran Lakes Nature Reserve provides important breeding habitat for waterbirds; regular bank-full flow events, which provide movement, feeding and breeding opportunities for many native fish species and regular overbank flows which connect the river to the mid-floodplain areas, which are critical in supporting healthy woodland vegetation communities. The Reserve supports 40 migratory bird species, including 19 listed under international agreements. The Wetland is internationally important because of its rarity and naturalness; its significance for waterbirds, supporting large colonial waterbird breeding events of ibis, spoonbills and cormorants; and its importance as a drought refuge for waterbirds.

This water will also be used to enhance the Culgoa Floodplain, which is another important local environmental target, with Coolibahs, black box, and grasses flourishing of the floodplains and brigalow, mulga, western bloodwood and Aboriginal cultural sites also preserved in the Culgoa Floodplain National Park. The park is a birdwatcher's haven with more than 150 species including 10 honeyeaters, Australia's six species of woodswallow and beautiful parrots.

- **Why did the department agree to pay EAA a record price?**
 - Market advice is obtained by the department to inform all water recovery activities, this recovery was not an exception.
 - The price paid took into account a commercial valuation, the unique characteristics of the offer in terms of size, location, high environmental benefits and low socio-economic impact.
 - The department remains confident that this water purchase achieved value for money.
- **Why was there no open tender process?**
- **Did the department make any endeavours to find out where the money would go?**
- **Did the department have any knowledge that money paid through this company would end up in the Cayman Islands**
- **Was the department aware of Angus Taylor's involvement with EAA and its parent company EAI?**
- **Why did department officials approach EAI in the Cayman Islands directly for the sale?**
- This water purchase was consistent with Commonwealth Procurement Rules and paid at a fair market rate, as informed by independent market valuation.

s 22

Director | Media & Social Media | **s 22**

From: **s 47F** [[networkten.com.au](mailto:s47F@networkten.com.au)]
Sent: Thursday, 18 April 2019 5:16 PM
To: Ag Media <Media@agriculture.gov.au>
Cc: **s 47F** [[networkten.com.au](mailto:s47F@networkten.com.au)]
Subject: The Project - Questions for the Department of Water [SEC=UNCLASSIFIED]

Hello media team,

We are putting together a story on water buybacks and have the following questions.

- Barnaby Joyce, the former Water Minister, signed off on the water buyback from EAA for almost \$80 million dollars. What did the Australian Taxpayer get in return?
- Why did the department agree to pay EAA a record price?
- Why was there no open tender process?
- Did the department make any endeavours to find out where the money would go?
- Did the department have any knowledge that money paid through this company would end up in the Cayman Islands
- Was the department aware of Angus Taylor's involvement with EAA and its parent company EAI?
- Why did department officials approach EAI in the Cayman Islands directly for the sale?

We will add your response to online versions of our story.

Thank you,

s 47F

Producer – The Project

s 47F

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s 22

From: Dadswell, Matthew <Matthew.Dadswell@agriculture.gov.au>
Sent: Thursday, 6 June 2019 5:36 PM
To: Keelty, Mick <Mick.Keelty@agriculture.gov.au>
Cc: s 22 <[redacted]@agriculture.gov.au>; Morris, Paul <Paul.Morris@agriculture.gov.au>
Subject: Guardian article - water [SEC=UNCLASSIFIED]

Mick,

For your information – Anne Davis from the Guardian has published an article this evening on water buybacks. I have attached the link and text of the story below. We understand Anne may be calling you for an interview.

Regards
Matt

<https://www.theguardian.com/australia-news/2019/jun/06/barnaby-joyce-approved-plan-to-chase-80m-water-buyback-documents-show>

Barnaby Joyce approved plan to chase \$80m water buyback, documents show

Federal government pushed plan to buy a portion of water entitlements rather than adopt Queensland proposal to purchase two farms and all water rights

[Anne Davies](#)

Thu 6 Jun 2019 14.15 AEST Last modified on Thu 6 Jun 2019 15.00 AEST

The former agriculture minister [Barnaby Joyce](#) approved a controversial change of strategy in his department which led to the purchase of low reliability water entitlements for “a record” \$80m from a company with links to a fellow minister, new documents obtained by Guardian Australia show.

The 2017 purchase of water from the Cayman Islands-based Eastern Australia Agriculture has been in the news since [the Guardian revealed](#) the energy minister, Angus Taylor, had been a director of the company before entering parliament in 2013.

Taylor has denied he played any part in the 2017 water purchase by the federal government or that he or his family received any benefit from it.

However his longtime business associate [Tony Reid](#) was a key adviser to EAA and played a central role in convincing the department to pay \$80m for the company’s overland flows.

The new documents, obtained under freedom of information laws, show that in November 2015 the federal Department of [Agriculture](#) and Water Resources recommended that Joyce support the Queensland government's proposal to buy EAA's two properties, Kia Ora and Clyde, and all its water rights.

Joyce agreed to "commence formal discussions with [Queensland](#) Department of Natural Resources and relevant commonwealth agencies to assess the feasibility costs and risks of the proposal", signing off on the idea a day later.

"The department sees merit in Queensland's proposal," the document says.

The preliminary assessment of the joint purchase is heavily redacted but the ministerial submission notes that the purchase would yield 55.7GL – enough to provide 66% of the water recovery target in the Condamine Balonne.

But a month later Joyce and his department changed tack, the documents show.

Instead of buying the farms and water, the department was to "approach EAA (directly or through their agent, Colliers International) to test their interest in selling ... a portion of the water entitlement" associated with the two properties.

The alternative approach appears to have originated in the federal department some time in late November. Handwritten comments by Joyce have been redacted.

The submission says that federal bureaucrats had been advised by their Queensland counterparts that "a range of targeted recovery scenarios demonstrate that it may be possible for us to purchase certain classes of water entitlements while leaving sufficient entitlements on the two properties for viable irrigated agriculture to continue".

Meanwhile the Queensland minister, Anthony Lynham, was getting increasingly anxious about the delays by the commonwealth and its lack of commitment to his plan to buy the properties. He wrote again on 25 November to stress the urgency.

Joyce has claimed publicly that the idea of the \$80m water purchase of unreliable overland flows came from the Queensland government.

But Lynham said the deal he proposed was "very, very different" to the one signed off by Joyce two years later. The documents bear him out.

"It was a wasted opportunity ... It was Barnaby Joyce's decision to subsequently buy the unreliable overland flow of 28,000 megalitres in 2017 and it was his decision to pay \$80m," Lynham said.

What is now clear from the documents is that the deal originated in the federal government – and that environmental outcomes were not the main consideration.

Joyce, the documents disclose, was much more interested in a water deal that would make up the numbers required under the Murray-Darling plan, than the impact the water purchase would have on the environment.

In a letter to Lynham dated 21 December 2015, Joyce said he had asked his department to approach the company directly to enquire whether it would sell just a portion of their water rights.

"If the company is open to this, my department may negotiate a purchase consistent with our objective to achieve the best possible gap-bridging potential while retaining maximum agricultural productivity on the

properties and also minimise the impact on other local businesses in the region,” Joyce wrote. He makes no mention of the environmental benefits.

The documents also disclose that the department was well aware that [Colliers International was the agent acting for EAA](#) on attempts to sell the two properties, yet the department commissioned Colliers to provide it with a valuation of the EAA water entitlements it intended to buy.

The valuations, released to the Senate under a notice to produce last year, were heavily redacted and it is impossible to know whether the eventual price paid of \$2,700 per megalitre for overland flows was within Colliers’ recommendation.

Sources have told the Guardian the price bands recommended were considerably lower than the price paid.

The investors were certainly happy. The company immediately booked a \$52m profit on the sale, and one investor told the London stock exchange it was a record price paid for water in Australia.

The documents also reveal that EAA had already received considerable federal largesse under the Healthy HeadWaters program. It had been granted \$2.173m to line its dam storages with rock to save water.

Yet despite having paid for the upgrades, the department walked away from buying the storages which could have held the overland flows. There is nothing to suggest any wrongdoing on the part of all these individuals.

The decision to redact nearly half the content in the documents was made by the bureaucrat who led negotiations on the EAA purchase, Mary Colreavy. The Guardian is appealing the decision on the basis that she was not an impartial decision-maker and that the public interest in the \$80m sale outweighed the department’s interest in keeping internal deliberations confidential.

Meanwhile, more information has come to light about the network of personal connections between the directors and investors in the Cayman Islands-based Eastern Australia Irrigation.

The Guardian [has already revealed](#) that Taylor was at the same Oxford college with Chris Gradel who heads Pacific Alliance, the Hong Kong-based fund that was a significant investor in the Cayman Islands parent.

There are also strong links through the consulting firm McKinsey. Taylor, his brother Charlie and Gradel were partners at the firm. Gradel was a partner in Hong Kong while Taylor was a partner in Australia prior to entering parliament in 2013.

There is nothing to suggest any wrongdoing on the part of these individuals