

Senate Rural and Regional Affairs and Transport References Committee

**Written Questions on Notice – Thursday, 23 August
2012**

CANBERRA, ACT

Inquiry into management of the Murray-Darling Basin

Question Number	Page No's.	Witness	Question asked by	Answered
1	-	SEWPaC	Senator Milne	15/10/12

**SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE**

Inquiry into the management of the Murray Darling Basin

Public Hearing Thursday 23 August 2012

**Written Questions on Notice – Department of Sustainability, Environment,
Water, Population and Communities**

Written Questions – Senator Milne

1. Expenditure of Water for the Future \$8.9 billion, buybacks and infrastructure spending:
 - A. In the most recent version of the Draft Plan it is evident that all the billions set aside for these reforms will be consumed by only achieving 2750GL for the river? Why is this the case and at what point did this become clear in the MDBA's budgeting?
 - B. Why does the Draft Plan prioritise spending on infrastructure rather than buybacks when the latter is far more cost effective?
 - C. To go above the GL range proposed by the latest version of the Draft, how much extra money would it cost to reach 4000GL for the environment if the water is to be obtained through infrastructure? How much would it cost to find up to 4000GL through buybacks?

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**Written Questions on Notice – Department of Sustainability, Environment,
Water, Population and Communities**

1 Written Questions – Senator Milne

1. Expenditure of Water for the Future \$8.9 billion, buybacks and infrastructure spending:
 - A. In the most recent version of the Draft Plan it is evident that all the billions set aside for these reforms will be consumed by only achieving 2750GL for the river? Why is this the case and at what point did this become clear in the MDBA's budgeting?
 - B. Why does the Draft Plan prioritise spending on infrastructure rather than buy backs when the latter is far more cost effective?
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ANSWER

- A. Water for the Future is a national program managed and implemented by the Department of Sustainability, Environment, Water, Population and Communities, not the MDBA. The funding allocation for Water for the Future provides sufficient funds to complete the 2750 GL of surface water recovery for the environment recommended by the MDBA under the draft Basin Plan, through a mixture of water purchase and infrastructure investment.
- B. The recommendation to focus greater investment in water savings projects arose as a key finding from the Windsor Inquiry into the socio-economic impacts of the Basin Plan. This recommendation, agreed in principle in the Australian Government response to the Windsor Inquiry, recognises that investment in modernising irrigation infrastructure to make it more water efficient creates jobs, secures water for the environment and enhances the long-term economic sustainability of regional communities.

Infrastructure investments have a range of benefits for irrigators in addition to recovering water to help 'bridge the gap' to the sustainable diversion limits under the Basin Plan. Completed projects have demonstrated improved productivity benefits such as increased crop rotation ability, increased crop water use efficiencies, improved soil management, reduced maintenance and reduced weed control requirements.

- C. The cost of acquiring an additional 1250GL of water for the environment would be affected by many factors. These would include the portfolio mix of entitlements required, the locations from which the water would be obtained, water market conditions and construction costs at the time, the value propositions for infrastructure water recovery and the cost of removing constraints limiting the effective use of the larger volume of water for environmental purposes.