



The Hon Tony Burke MP

Minister for Sustainability, Environment, Water, Population and Communities

C10/19792

Mr John Murphy MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

- 8 FEB 2011

Dear Mr Murphy 

Thank you for your letter of 26 November 2010 concerning the submission of a petition regarding Menindee Lakes. I regret the delay in responding.

The Menindee Lakes project originates from a 2007 election commitment to work with New South Wales (NSW) to examine options to reduce reliance of Broken Hill on Menindee Lakes for its water supply, provide up to 200 gigalitres (GL) of water for the environment, and reduce wasteful evaporative losses from the Lakes.

The Menindee Lakes scheme, built in the 1950's and 60's, is located in a hot, dry and windy environment. Current management arrangements for these broad and shallow lakes result in large evaporative losses averaging around 420GL per year; this is roughly equivalent to two years of water supply for Adelaide, so it is an important issue at a Basin scale as well as locally. Technical assessments have indicated that changing the management of Menindee Lakes to reduce these evaporative losses and improve environmental outcomes is possible, if Broken Hill's water supply can be made less dependent on the Lakes.

The Australian and NSW governments signed a *Memorandum of Understanding for the cooperative investigation and subsequent implementation of key water reform initiatives in New South Wales, including Broken Hill's urban water supply and Menindee Lakes operational arrangements* (the MoU) in July 2010.

Under the MoU investigative work is being undertaken to identify options for infrastructure and operational changes that can improve the operation of the Lakes. This work includes assessment of a newly identified aquifer close to Menindee to reduce the reliance of Broken Hill's water supply on the Lakes. I am advised that sourcing water supply from aquifers is common for dry cities around the world, with Perth currently using aquifer storage to supply more than half of its drinking water and around 30 per cent of Australian fresh water supplies currently sourced from groundwater. It is therefore not a new or untested technology.

The Australian and NSW governments are committed to working with stakeholders to achieve the best outcomes at Menindee Lakes. Initial consultation has taken place and a broader community consultation process will be undertaken as definitive information becomes publicly available and as options are considered. Stakeholders include the Broken Hill community, irrigators, Indigenous groups, local government and the Menindee community.

In addition, you may be aware that the Murray-Darling Basin Authority (MDBA) *Guide to the Proposed Basin Plan* provides scope for the MDBA to 'accredit' engineering works and measures for their ability to achieve environmental objectives using less water. This means that any strategic engineering works and measures undertaken at Menindee Lakes may lead to an increase in the Sustainable Diversion Limits identified in the Basin Plan.

Finally, I wish to draw your attention to the requirement that any development that could have a significant impact on our environment would need to obtain approval under all relevant state and federal legislation.

Thank you for writing on this important matter.

Yours sincerely

Tony Burke