

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: OWS **Question No:** 061

Topic: Independent Expert Scientific
Committee – Analysis of Natural
Resource Management regions

Proof Hansard Page and Date Written

or Written Question:

Senator Boswell asked:

I refer to Minister Burke's announcement on March 22 that \$9.2 million in funding will go to 23 national resource Management regions to undertake an analysis of their local environment and potential impact on water resources from coal seam gas and coal mining developments:

1. What NRM bodies are to receive this funding and how much funding is going to each NRM body?
2. What are the terms of reference for undertaking this analysis?
3. Over what areas are bioregional assessments proposed?
4. What are the terms of reference for the "bioregional assessments"?
5. Why is this funding to go to NRM bodies rather than other bodies that may have greater expertise?

Answer:

1. To initiate data collation for bioregional assessments and undertake an analysis of the vulnerabilities of water resources from coal seam gas and coal mining developments, \$400,000 has been approved for each natural resource management body that is underlain by coal bearing basins and is within signatory states to the National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development.

The 23 regions announced in March are Queensland and New South Wales regions including: Condamine, Burdekin, Fitzroy, South East Catchments, Dessert Channels, South West, Queensland Murray-Darling, Cape York, Burnett Mary, Southern Gulf, Southern Rivers, Northern Rivers, Lachlan, Central West, Murray, Lower Murray Darling, Western, Border Rivers-Gwydir, Murrumbidgee, Sydney Metro, Namoi, Hunter Central Rivers and Hawkesbury Nepean.

Since the Minister's announcement in March 2012, six South Australian regions (Alinytjara Wiluara, Northern and Yorke, Eyre Peninsula, South East, South Australian Murray Darling and South Australian Arid Lands) and eight Victorian regions (Wimmera, Mallee, Glenelg Hopkins, North Central, West Gippsland, Corangamite, Port Phillip and Western Port, East Gippsland) have also been approved to receive funding.

2. The terms of reference for the contracted work require regional natural resource management groups to identify water assets (both surface and groundwater) in their region; the potential vulnerabilities of these assets from current and anticipated coal seam gas and coal mining development; and knowledge gaps in relation to the hazards and risks to regional water resources associated with coal seam gas and coal mining.
3. Work for bioregional assessments has commenced in the first five priority regions. It is expected that additional regions will be announced following further advice from the Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development.

The first five priority regions are:

1. Lake Eyre Basin which is underlain by the Galilee, Cooper and Arkaringa and Pedirka coal bearing basins;
 2. Northern Inland Catchments, incorporating the Namoi (which includes the Liverpool Plains), Border Rivers-Gwydir, Maranoa-Balonne and Macquarie-Castlereagh (coal bearing basins underlying these catchments include: Gunnedah Basin, Surat Basin, and Bowen Basin);
 3. Northern Sydney Basin and the Gloucester Basin (encompassing the Hunter Central Rivers natural resource management region);
 4. Southern Sydney Basin (encompassing the Southern Rivers, Sydney Metro, Hawkesbury-Nepean natural resource management regions); and
 5. Clarence-Moreton Basin (encompassing South East Queensland and Northern Rivers natural resource management regions).
4. The National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development defines a bioregional assessment "as a scientific analysis of the ecology, hydrology and geology of a region with explicit reference to an assessment of the potential direct and indirect impacts of CSG and coal mining development on water resources."

To ensure compatibility of results from the bioregional assessments, an expert panel has been established to develop a methodology (which in effect acts as the Terms of Reference) that provides the scientific underpinning for all the bioregional assessments. The methodology is being designed to identify the vulnerability of assets to changes in the water balance due to coal mining or coal seam gas developments.

The proposed methodology will be completed for endorsement by the statutory Independent Expert Scientific Committee once it is established.

5. The funding being provided to the natural resource management bodies recognises that these groups hold data and have a sound understanding of water assets within their regions. They also have a unique capacity to report on the community value of water resources to their area. Throughout the process of undertaking bioregional assessments, it is anticipated that funding will be provided to a wide range of groups and organisations who hold relevant data, skills and expertise.

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Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: OWS **Question No:** 062

Topic: National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. How many other state governments than Queensland have signed the National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development to establish the Independent Expert Scientific Committee on coal seam gas? If not all States have signed on, when do you expect all State governments to sign up?
2. Has the Department confirmed that the new Queensland government will honour the previous Queensland government's commitment to the agreement?

Answer:

1. In addition to the Queensland Government signing the National Partnership Agreement on Coal Seam Gas and Large Coal Mining (the Agreement) on 14 February 2012, three other State governments have signed. New South Wales signed on 7 March 2012, South Australia signed on 22 March 2012, and Victoria signed 5 June 2012. The Northern Territory is the only other Party identified in the Agreement. The offer remains open for the Northern Territory to sign; however, as stated in the Agreement, this would need to occur before the Agreement expires (30 June 2014) or completion of the project. The Agreement commenced as soon as the Commonwealth and one other Party signed.

The Australian Capital Territory is not eligible to sign the Agreement as there is no coal seam gas or large coal mining development in its jurisdiction. Tasmania and Western Australia are not expected to sign the Agreement.

2. Discussions between Commonwealth and Queensland officials have proceeded on the basis of both governments continuing with the agreement.

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Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 063

Topic: Sale of water in the Lower Balonne-
Condamine catchment area

Proof Hansard Page and Date 70

or Written Question: (23/5/12)

Senator Joyce asked:

Senator JOYCE: How much water has been offered to you for sale in the Lower Balonne-Condamine?

Ms Harwood: I would have to take the offer figure on notice. We have purchased a certain amount from the tenders we have run. I am not sure whether I will have the offer figures with me here.

Answer:

Entitlement holders have offered approximately 175 gigalitres (nominal volume) of entitlements under the six water purchase tenders conducted in the Lower Balonne since the Resource Operations Plan, which is the water sharing plan for the Condamine-Balonne, was finalised in March 2010.

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Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 064

Topic: Sustainable Rural Water Use and Infrastructure Program – Expenditure on infrastructure

Proof Hansard Page and Date 73

or Written Question: (23/5/12)

Senator McKenzie asked:

Senator McKENZIE: I think there is a lot of debate around who has met their end-of-valley targets already and who has not, but in terms of the budget—and I will put some questions on notice around that—how are the recent budget deferrals of the \$941 million affecting the rollout of those environmental efficiency programs?

...

Ms Harwood: Firstly, I am not sure where that \$941 million figure came from. I cannot find a way of arriving at it from the actual changes reflected in the portfolio budget statement. But, yes, with some moneys for the Sustainable Rural Water Use and Infrastructure program there has been some movement of funds. That is more a reflection of delays in program rollout due to a lot of wet weather—so wet weather delays in actual construction—and approval processes for some projects, but it does not affect the actual delivery of all the works we have under contract and coming in under contract. So there is sufficient budget there in the SRWUIP fund to deliver all the projects that we have scheduled and contracted and that are coming in and being negotiated at present.

The additional funds for on-farm are included in that SRWUIP appropriation, as are the additional funds for the strategic subsystem retirement. The ratio of funding for infrastructure to buyback is now much in favour of infrastructure; that is, the amount of funds available next year for expenditure on infrastructure is, I think, more than three times—I can take it on notice to confirm it—what is available for purchase of water direct.

Answer:

Budgeted expenditure on infrastructure activities in 2012-13 is \$615,307,000, whereas for water purchase it is \$140,671,000. Therefore the amount of funding available for infrastructure activities in 2012-13 is over four times the amount for water purchase in that year.

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Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 065

Topic: Targeted Water Purchase Initiative –
Number of non-strategic water trades

Proof Hansard Page and Date Written & 78

or Written Question: (23/5/12)

Senator Joyce asked:

Senator JOYCE: How many offers in the 700 that you received were deemed to be non-strategic under this tender?

Ms Harwood: Some trades that were offered were not confirmed by the irrigation water provider. Basically, they were not eligible in the expression of interest. I might just check. I do not have the precise number with me.

Answer:

The Expression of Interest phase of the Targeted Purchase Initiative received 914 offers from interested applicants. Of these, 105 were assessed as not meeting the eligibility criteria and were not invited to the Select Tender phase.

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Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 066

Topic: Cancellation of the National Water Security Plan for Cities and Towns program

Proof Hansard Page and Date Written

or Written Question:

Senator Xenophon asked:

It has been indicated in the Budget papers that the rationale for the cancellation of the National Water Security Plan for Cities and Towns program was that proponents have not met the conditions of their funding agreements or due diligence requirements:

1. Can you please provide examples of the conditions not being met?
2. Will the Government be providing any further assistance to enable cities and towns to become more water efficient?

Answer:

1. The program has not been cancelled. A small number of projects will not proceed because of conditions not being met under the National Water Security Plan for Cities and Towns and withdrawal of funding for specific projects included;
 - failed due diligence;
 - failure to meet the agreed timeframe for the commencement of the construction phase; and
 - failure to obtain the necessary approvals for the project to proceed.
2. No further funding rounds are anticipated.

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Program: Division or Agency: 4.1: WED **Question No:** 067

Topic: On-Farm Irrigation Efficiency Program

Proof Hansard Page and Date Written

or Written Question:

Senator Xenophon asked:

Minister Burke has recently verbally indicated that there are some issues that need to be addressed in relation to the eligibility criteria for this on-farm irrigation program:

1. Can the Department indicate how this is being addressed?
2. What work has the Department done in respect to analysis of the market-based approach to water buybacks? For example, can the Department provide any analysis or confirmation that the market will not be skewed against those who have had not been able to access the on-farm irrigation program?

Answer:

1. The Department of Sustainability, Environment, Water, Population and Communities (the department) conducts a process review after each round of the On-Farm Irrigation Efficiency Program. This review includes feedback from all stakeholders involved in the program. Round Three of the Program opened on 11 May 2012 and eligibility criteria has been established taking into account stakeholder feedback.
2. The On-Farm Irrigation Efficiency Program (the Program) is a competitive grants program, open to all that meet the merit criteria. It provides funding to those applicants who propose the best projects as assessed against the merit criteria stated in the publicly available program guidelines. Across the two completed funding rounds of the Program the Australian Government has committed funding to over 800 irrigator on-farm works projects across South Australia, Victoria and New South Wales.

There is no linkage between the Program and the water buyback program nor any reason to expect that the market is skewed against those who do not access the Program.

On 29 June 2012 the department released the results of a survey of people who participated in the water buyback program. The results show that:

- almost 80 per cent of those interviewed said that selling water to the Commonwealth was a positive decision for them;
- around 60 per cent of those interviewed sold part of their entitlement to the government. Around half of these sellers said the water sale had not affected farm production in a significant way;

- the survey results suggest that many irrigators who sell some of their water to the government have found ways to change their farming operations to maintain production levels; and
- overall, there was strong support among surveyed sellers for the resumption of general tenders in 2012. Those who supported the resumption out-weighed those opposed to it by two to one.

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Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 068

Topic: Sustainable Rural Water Use and
Infrastructure Program - Expenditure

Proof Hansard Page and Date Written

or Written Question:

Senator Birmingham asked:

For each of the programs comprising the Sustainable Rural Water Use and Infrastructure Program please detail:

1. How much has been expended on proposals under each program in each budget year since its establishment? How many proposals have been funded? How much funding had been made available in each of the budget years? How many proposals were received? How is the program promoted? What assistance is available to assist applicants with applications?

Answer:

1. Refer to the table below at **Attachment A** for detailed responses for each of the programs comprising the Sustainable Rural Water Use and Infrastructure Program (SRWUIP).

The budget will be allocated to these programs in future years in alignment with the budget appropriation for SRWUIP. The exact allocation each year will be determined in line with requirements of the various projects.

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ATTACHMENT A

State Led Priority Projects

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
ACT			175,000	203,878		Initial project withdrawn.	0
Coal seam gas feasibility project		825,000	0	1,155,012	1,350,000		1
Integrated Pipelines SA		25,430,000	91,476,974	5,636	0		1
Lower Lakes and Coorong	0	3,000,000	12,039,140	13,214,726	16,562,305		Feasibility study complete, early works and main project underway.
NSW Basin Pipe	0	0	797,878	88,400	0		1
NSW Farm Modernisation	0	232,000	3,865,375	4,818,106	0		Pilot complete, smaller project contracted for \$83m.
NSW Healthy Floodplains	0	0	987,743	45,455	0		1
NSW Metering	0	0	3,944,594	3,119,553	10,500,000		Pilot and main project.
Northern Victorian Irrigation Renewal Project	0	0	2,739,128	83,436	167,947,703		Main project and on farm project.

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
QLD Healthy Headwaters Water Use Efficiency	0	675,000	30,657	11,064,285	6,236,860		Round 1 and Round 2 are underway.
Riverine Recovery	0	675,000	1,413,686	9,511,483	6,627,060		1
Sunraysia	0	0	66,372	121,682	0	Failed due diligence.	0
Sunwater	0	80,000	0	0	0	Awaiting a rescoped project proposal.	0
Coal seam gas feasibility project		825,000	0	1,155,012	1,350,000		1
Promotion	Not Applicable for all projects listed above.						
Assistance	Business cases for all projects listed above are submitted by States according to the Business Case Information Requirements and Schedule E of the Inter Governmental Agreement on Murray Darling Basin Reform 2008. Start up funding was provided to assist states with development of their proposals and preparation of business cases.						

Commonwealth Led State Priority Projects

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Private Irrigation Infrastructure Operators Program – NSW	0	0	142,389	41,759,716	88,673,772	12	9
Promotion	Website and direct discussions between Departmental officers and all potential applicants identified through their status as Irrigation Infrastructure Operators in NSW who had completed a modernisation plan.						
Assistance	Department officers were available to answer questions of interpretation from prospective applicants about the program and the respective guidelines, but the department does not provide assistance to applicants in preparing their applications.						
Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Private Irrigation Infrastructure Program – SA	0	0	251,763	1,687,060	4,218,696	20 applications were received under Rounds 1 and 2 of PIIP-SA, including two under Delivery Partners with sub projects (one with three sub projects and one with 16 sub projects).	13 projects have been approved for funding, one of which is a Delivery Partner with 16 sub projects.
Promotion	Print media, web based material, information to peak bodies, road shows by departmental officers, word of mouth by irrigators and delivery partners.						
Assistance	Department officers were available to answer questions of interpretation from prospective applicants about the program and the respective guidelines, but the department does not provide assistance to applicants in preparing their applications.						

Other Programs

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
On-Farm Irrigation Efficiency Program including pilots	0	18,000	3,017,727	63,996,582	38,120,828	Across the Pilot Programs and rounds 43 subprojects type covering 800 individual irrigator projects.	168 proposals across the Pilots, Round 1 and Round 2.
Promotion	Print media, web based material, information to interested and influential organisations, road shows by departmental officers, field days by current delivery partners, word of mouth by irrigators and delivery partners,						
Assistance	Department officers were available to answer questions of interpretation from prospective applicants about the program and the respective guidelines, but the department does not provide assistance to applicants in preparing their applications.						

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Strengthening Basin Communities Program	0	0	857,391	10,293,515	23,218,931	134	94 projects funded - Offers made to 99 projects, five offers declined, 94 funding agreements executed, one executed funding agreement terminated without undertaking any activity (no payments made for this project).
Promotion	Direct marketing to all Local Government Authorities and urban water service providers in the Murray Darling Basin, advertising in national press, departmental web site.						
Assistance	Department officers were available to answer questions of interpretation from prospective applicants about the program and the respective guidelines, but the department does not provide assistance to applicants in preparing their applications.						

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Irrigation Modernisation Planning Assistance	1,412,019	2,388,000	1,149,009	477,766	195,074	24	Round 1 – 14 projects approved. Two subsequently withdrew Round 2 – Five projects approved. One subsequently withdrew. Round 3 – Four projects approved.
Promotion	IMPA funding is dependent on irrigation organisations' willingness to participate in the Hotspots Assessment Program. IMPA program guidelines are available on the department's website. Direct contact with potential participants. Road shows have been held.						
Assistance	Department officers were available to answer questions of interpretation from prospective applicants about the program and the respective guidelines, but the department does not provide assistance to applicants in preparing their applications.						
Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Small Block Irrigators Exit Grants Program	0	0	48,248,032	796,531	0	504	297
Promotion	The Department of Human Services (DHS)-promoted the program to stakeholders and interested parties via targeted outreach activities undertaken by that department's rural service officers. The Department of Sustainability, Environment, Water, population and Communities and the Department of Agriculture, Fisheries and Forestry also promoted the program through the respective Department's web pages and communication products.						
Assistance	DHS rural service officers provided assistance to applicants to lodge their applications.						

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Irrigation Hotspots Assessment Program	740,000	624,000	556,969	89,450	28,554	9	9
Promotion	Website information and discussion with interested applicants on the basis of program guidelines.						
Assistance	Department officers were available to answer questions of interpretation from prospective applicants about the program and the respective guidelines, but the department does not provide assistance to applicants in preparing their applications.						
Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Irrigator Led Group Proposals	0	0	0	0	5,942	11	One proposal has been approved for funding by the Minister and was completed in May 2012. One proposal was approved for funding but withdrawn by the applicants before a funding agreement was signed. One proposal has been conditionally approved by the Minister for funding. The applicants are currently obtaining information to confirm the conditions of funding have been met.
Promotion	Website and direct discussions between Departmental officers and potential applicants identified through their status as Irrigation Infrastructure Operators.						
Assistance	Department officers were available to answer questions of interpretation from prospective applicants about the program and the respective guidelines, but the department does not provide assistance to applicants in preparing their applications.						

Major Projects

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Menindee Lakes Project	0	2,143,000	13,385,794	5,626,503	0	Project options currently the subject of discussions with NSW.	None
Promotion	Not applicable						
Assistance	Not applicable						
Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Orange Emergency Pipeline Project				2,000,000	0		Project underway
Promotion	Not applicable						
Assistance	Not applicable						
Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Harvey Water Pipeline Project, Gascoyne Pipeline Project, Sustainable Yields Study of South-West WA	35,000,000	3,115,000	3,744,487	990,000	2,640,000		Harvey Pipeline complete. Other projects underway.
Promotion	Not applicable						
Assistance	Not applicable						

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
National Water Market System	0	0	3,398,585	6,196,598	5,177,942		Project underway
Promotion	Not applicable						
Assistance	Not applicable						
Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Metering Test Facilities	565,050	1,906,000	686,127	113,010	0		Offers made to three projects; one offer declined, two funding agreements executed.
Promotion	Not applicable						
Assistance	Not applicable						

Project	2007-08	2008-09	2009-10	2010-11	To 31 May 2012	Proposals Received	Proposals funded
Supporting More Efficient Irrigation Program in Tasmania	0	2,197,318	20,185,959	3,189,634	26,721,016	To-date, six projects (with an Australian Government commitment totalling \$88.65 million) has now been agreed under the \$140 million Supporting More Efficient Irrigation in Tasmania election commitment. Two further business cases have been formally submitted for Australian Government Due Diligence.	Six projects have been agreed, with three complete and operational and one further scheme due to be commissioned by August 2012.
Promotion	Not applicable						
Assistance	Under the Supporting More Efficient Irrigation in Tasmania Implementation Plan, an initial payment was provided to Tasmania which has assisted in the development of business cases.						

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Program: Division or Agency: 4.1: WED **Question No:** 069

Topic: Sustainable Rural Water Use and
Infrastructure Program – Committed
projects

Proof Hansard Page and Date Written

or Written Question:

Senator Birmingham asked:

For each of the programs comprising the Sustainable Rural Water Use and Infrastructure Program please detail:

1. Please provide a breakdown of the currently committed projects under the SRWUIP, and detail water infrastructure projects in the Murray-Darling Basin returning water to the Commonwealth, water infrastructure projects where water savings are retained in the region and expenditure not resulting in any water savings in the Murray-Darling Basin.

Answer:

1. The table at **Attachment A** provides a breakdown of the currently committed projects in the Murray-Darling Basin under the Sustainable Rural Water Use and Infrastructure Program as at 31 May 2012.

SRWUIP Projects in the MDB returning water to the Commonwealth

Northern Victoria Irrigation Renewal Project Stage 2

New South Wales Private Irrigation Infrastructure Operators Program

Menindee Lakes Project

New South Wales State Priority Projects package - Irrigation Farm Modernisation (including pilot), Metering Scheme, Basin Pipe – Stock and Domestic, Healthy Floodplains Project

On-Farm Irrigation Efficiency Program (including pilots)

Queensland On Farm Water Use Efficiency Project

South Australia Private Irrigation Infrastructure Program

Small Block Irrigators Exit Grants

Victorian State Priority Project

South Australia Riverine Recovery Project

Queensland State Priority Project

Irrigator Led Group Proposals - infrastructure removal component

Strategic Subsystem Reconfiguration - infrastructure removal component

SRWUIP projects for which water savings retained in the region

Strengthening Basin Communities Program

South Australia Lower Lakes and Coorong Recovery Project

South Australia Integrated Pipelines Project

Victorian Wimmera-Mallee Pipeline Project

Orange Emergency Pipeline Project

Hume Dam Remedial Works

Toorale Infrastructure Decommissioning Project

Lithgow-Clarence Colliery Water Transfer Project

Rural Water Planning, Knowledge, Feasibility Studies, Market Reform, Water Skills Development Projects and infrastructure projects outside the MDBA

Commonwealth Environmental Water Office Water Holdings Management and Infrastructure Costs

ACT State Priority Project

Compliance and Enforcement

Murray-Darling Basin Authority Basin Plan Activities

National Water Market System

Irrigation Hotspots Assessment Program

Snowy River Repayment of Mowamba Borrow

Water for the Future campaign information campaign

Irrigation Modernisation Planning Assistance

Metering Test Facilities

Water For Rivers

E-Water Hydrological Modelling Strategy

Queensland Coal Seam Gas Project

Great Artesian Basin Shared Water Resource Assessment

National Water Commission Assessment of Reforms

Environmental Works and Measures Feasibility

Supporting More Efficient Irrigation Program in Tasmania

Harvey Water Pipeline Project

Gascoyne Pipeline Project

Sustainable Yields Study of South West WA

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Answers to questions on notice
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Program: Division or Agency: 4.1: WED **Question No:** 070

Topic: Menindee Lakes Joint Evaluation Team

Proof Hansard Page and Date Written

or Written Question:

Senator Birmingham asked:

1. What is the role of the Federal NSW joint evaluation team to investigate potential project options at Menindee Lakes?
2. What is the composition of this team? What terms of reference exist? Does the team have a date by which it is expected to report? What options are being considered? What progress has been made?

Answer:

1. The role of the joint evaluation team is to investigate potential infrastructure works and rule changes at Menindee Lakes that will contribute to environmental water savings and achieving water supply security for Broken Hill during drought periods.
2. The team comprises officers from the Department of Sustainability, Environment, Water, Population and Communities, the Murray-Darling Basin Authority (the Authority) and the New South Wales Office of Water. The team is aiming to finalise its work by the end of the first quarter of the 2012-13 financial year. Officials have agreed on the scope of infrastructure works to be investigated and an engineering consultant is being sought to provide cost estimates of the potential works. The team will assess potential benefits from the agreed scope of infrastructure works in conjunction with hydrological modelling now being undertaken by the Authority.

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Program: Division or Agency: 4.1: WED **Question No:** 071

Topic: Private Irrigators Infrastructure
Program South Australia

Proof Hansard Page and Date Written

or Written Question:

Senator Birmingham asked:

1. What were the original estimates of expenditure for this program when it was announced? How does this compare to expenditure that has eventuated? How much was budgeted for rounds 1 and 2? What is being done to increase the take up of this program?

Answer:

1. In the lead up to the Intergovernmental Agreement on Murray-Darling Basin Reform (the MDB IGA), each Basin State and Territory provided advice on the priority projects for which it was seeking Commonwealth assistance. Following negotiations, the State Priority Projects were then agreed as set out in the MDB IGA in July 2008. In the MDB IGA the Australian Government's commitments for South Australia included up to \$110 million for private irrigators to upgrade infrastructure.

This is being delivered as the Private Irrigation Infrastructure Program for South Australia (PIIP-SA) to assist South Australian irrigators and irrigation infrastructure operators to further improve the efficiency and productivity of irrigation water use and management, helping to secure a sustainable future for South Australian irrigation communities and returning water to the Commonwealth.

The guidelines for rounds 1 and 2 of PIIP-SA did not place a limit on the funding available within the overall program budget of \$110 million. To date \$14.4 million has been committed under PIIP-SA.

The Department of Sustainability, Environment, Water, Population and Communities is in discussion with South Australian Government officials regarding options that will best utilise remaining State Priority Project funding allocated to South Australia, including funding currently committed to PIIP-SA.

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Program: Division or Agency: 4.1: WED

Question No: 072

Topic: Irrigation efficiency systems

Proof Hansard Page and Date Written

or Written Question:

Senator Birmingham asked:

1. In reference to Question on Notice 061 from February Estimates please detail the system efficiency for each of the 16 listed water providers at the time of modernisation planning. By how much was efficiency improved at each site?
2. Please explain why there did not appear to be a significant relationship between system efficiencies and location of the 16 irrigation water providers.

Answer:

1. Irrigation system efficiency varies between years depending on the level of water allocation. The level of efficiency also varies between fully piped systems and channel based systems. The system efficiencies below were identified by the relevant water providers. Please note that the figures are not necessarily directly comparable as providers may have used different ways of estimating their efficiency.

Irrigation Water Provider	Efficiency
Sunwater (QLD)	61% to 92%^
Trangie Nevertire Irrigation Scheme (NSW)	Up to 73%*
Tenandra Irrigation Scheme (NSW)	57% to 88%+
Jemalong Irrigation Scheme (NSW)	Up to 72%#
Murrumbidgee Irrigation Area (NSW)	75% to 90%+
Renmark Irrigation Trust (SA)	Up to 97%~
Harvey Water (WA)	70% to 95%^
Murray Irrigation Limited (NSW)	82% to 87%+
Grampians Wimmera Mallee Water (VIC)	Up to 81%~
Southern Rural Water (VIC)	Up to 68%~
Marthaguy Irrigation Scheme (NSW)	Up to 87%~
Western Murray Irrigation Ltd (NSW)	Up to 94%~

West Corugan Private Irrigation District (NSW)	64% to 91%+
Coliban Regional Water Corporation (VIC)	Up to 58%~
North Burdekin Water Board (QLD)	Groundwater system
South Burdekin Water Board (QLD)	Groundwater system

^ Range across a number of systems

+ Reflects variations across years

* Based on an 100 per cent allocation

Based on an 75 per cent allocation

~ Average

The funding provided under the Irrigation Modernisation Planning Assistance Program enables water providers to identify options to increase the efficiency of irrigation distribution systems. Implementation of efficiency options identified in modernisation plans (for example, actual works) are not supported under this program.

2. The main factors that influence system efficiency include the age, condition and type of infrastructure, system design, soil types, management practices and available water allocations. Location factors alone do not determine system efficiencies.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 073

Topic: Adelaide Desalination Plant -
Milestones

Proof Hansard Page and Date Written

or Written Question:

Senator Birmingham asked:

1. In regards to the Adelaide Desalination plant, which milestones haven't yet been met? Please detail total payments made to date? What payments outstanding? Please provide details of what each of the milestones are.

Answer:

1. Payments to the South Australian Government for the Adelaide Desalination Plant are made on completion of milestones that are set out under two implementation plans, one for the 50 gigalitre per annum desalination plant and a second for the augmentation to a 100 gigalitre per annum desalination plant. The implementation plans can be found on the Ministerial Council for Federal Financial Relations website under the National Partnership Agreement on 'Water for the Future':
http://www.federalfinancialrelations.gov.au/content/national_partnership_agreements/environment.aspx.

All four milestone payments totalling \$100 million have been made for the 50 gigalitre per annum desalination plant.

As at 1 August 2012, three milestone payments totalling \$182.4 million have been made for the augmentation to a 100 gigalitre per annum desalination plant for the achievement of the relevant milestones. Milestone 2 and the Final Milestone have not yet been achieved.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 074

Topic: Northern Victoria Irrigation Renewal
Project Stage 2

Proof Hansard Page and Date Written

or Written Question:

Senator Hanson-Young asked:

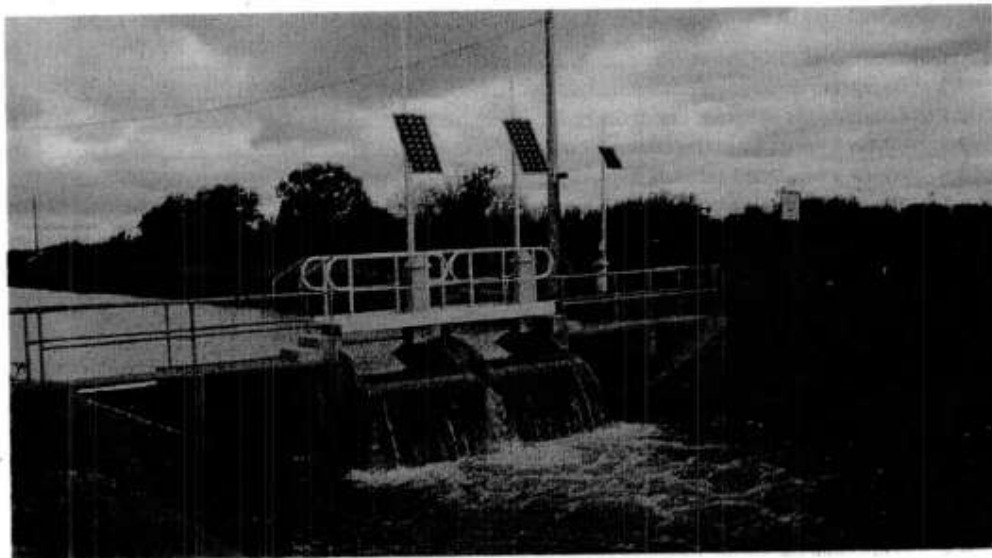
1. Regarding QON 80 from Budget Estimates about NVIRP stage 2, can the Department please provide the business case referred to in the answer?
2. Can the Department please provide documentation evidencing the due diligence that has been completed regarding NVIRP 2?

Answer:

1. The Business Case for the Northern Victoria Irrigation Renewal Project Stage 2 was developed by the Victorian Department of Sustainability and Environment in conjunction with the Northern Victoria Irrigation Renewal Project (the organisation). The Victorian Government has advised that the document is a Cabinet-in-Confidence document.
2. The due diligence assessment of the Northern Victoria Irrigation Renewal Project Stage 2 was undertaken by the Department of Sustainability, Environment, Water, Population and Communities. The cover page has been included to evidence the completion of the Northern Victoria Irrigation Renewal Project Stage 2 due diligence (**Attachment A**).

IN-CONFIDENCE

**NORTHERN VICTORIA IRRIGATION RENEWAL PROJECT STAGE 2
DUE DILIGENCE ASSESSMENT REPORT**



GMID Irrigation Supply Channel, May 2010

(Source: E Meyer, SFRPC)

Prepared by
Department of Sustainability, Environment, Water, Populations and Communities
1 November 2010

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 075

Topic: Private Irrigation Infrastructure
Operators Program New South
Wales – submission of documents

Proof Hansard Page and Date Written

or Written Question:

Senator Hanson-Young asked:

1. Can the Department please table the following documents submitted by Murray Irrigation Ltd and Murrumbidgee Irrigation Ltd to the Private Irrigation Infrastructure Operators Program in New South Wales between 1 October 2010 and 18 January 2012, that respond to the following criteria that are set out in the funding guidelines prepared by the Department of Sustainability, Environment, Water, Population and Communities:
 - a. Risk Assessments for the proposed project both during the construction phase and on project completion, including a description of how the risks will be managed
 - b. Details of how the project will contribute to regional employment.
 - c. Details of direct effects on the value of production (not flow-on or multiplier effects), or reduction in costs of production resulting from implementation of the project.
 - d. Details of how the project will attract other investment in the region, and the expected quantum of additional investment.
 - e. Evidence of compliance with relevant Australian Government, state and local legislation and approval processes, including the Environment Protection and Biodiversity Conservation Act (1999) and/or an outline of the process to achieve these approvals.
 - f. Evidence that the project is technically feasible and the investment is appropriate to the project objectives and needs of the irrigation system and its customers.
 - g. A cost-benefit analysis for the project, compared with a 'no change' option in accordance with the Australian Government guidelines). This analysis should describe in detail all options considered, and the assumptions and calculations undertaken as part of the analysis.
 - h. A detailed project budget (including expenditure timelines).
 - i. Evidence of access to financial resources to meet any co-contribution as well as ongoing operational requirements, including letters of commitment detailing cash amounts and in-kind contributions from other project partners.
 - j. Details of the operator's current water charging arrangements, including the asset management approach used to determine forward-looking capital expenditure needs

(i.e. renewals annuity or regulatory asset base (RAB)), tariff structure (with current customer charges) and method of calculating and applying termination fees

- k. Details of how the project investment, both co-contribution and Australian Government funding, will impact on customer water charges.
- l. A description of how the ongoing operating costs and capital replacement costs of the project will be recovered (see page 17 of Program Guidelines - Water pricing in integrated water management projects).

Answer:

The Department of Sustainability, Environment, Water, Population and Communities (the department) requests that the Senate not pursue its request for access to the above materials.

The material which has been sought is of a Commercial-in-Confidence nature and its disclosure would damage the commercial interests of Murray Irrigation Limited and Murrumbidgee Irrigation Limited.

The requested information was provided to the department by Murray Irrigation Limited and Murrumbidgee Irrigation Limited on a Commercial-in-Confidence basis representing their formal applications for funding under the Private Irrigation Infrastructure Operators Program (PIIOP).

The commercially sensitive documentation contained in these applications is information that both organisations do not disclose, publish or otherwise disseminate. Employees, contractors and associates of both organisations are required to keep information of this nature confidential.

This information would be of significant value to other similar organisations and enterprises tendering for work under this and other similar programs. This would allow these groups to gain an unfair advantage in future competitive applications, tenders and expressions of interest. Disclosure could also compromise negotiations between the proponents and third parties that are required to finalise the projects.

Specifically, the documentation requested contains or comprises:

- Trade secrets and other information with a significant commercial value to the two organisations. If this information were to be revealed this commercial value could be expected to be destroyed or diminished.
- Financial information which would, if disclosed, seriously prejudice the ability of the two organisations to be competitive in future tenders, as the organisations' competitors would have access to information concerning rates and costings for services it provides or intends to provide. A reduction in competitiveness in future tenders is harmful to public interest.
- Confidential technical and operational information developed by the two organisations. This information would be of significant value to other similar organisations and enterprises tendering for work under the Program. If this information were to be revealed, it would allow these groups to gain an unfair competitive advantage in future applications, tenders and expressions of interest.
- Its disclosure would also:

- be likely to prejudice the department's ability to obtain confidential information of a similar nature in the future and could reasonably be expected to prejudice the management functions of the department in its oversight and management of national water management programs. There is a reasonable likelihood that disclosure would result in reduction of both the quantity and quality of business information flowing to the department (or other government agencies); and
- reveal personal information about customers or stakeholders participating in PIIOP projects, or information from which a person's identity could be deduced.

The organisations consider that such information as is contained in the PIIOP application is proprietary in nature, such as the processes developed by it to identify water losses and potential water savings. The PIIOP applications contain information directly relating to business and commercial affairs including information about planned labour requirements which, at this stage, is information which is not publicly available and could adversely affect relationships with employees, contractors and unions.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED

Question No: 076

Topic: Sustainable Rural Water Use and
Infrastructure Program - Budget

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. I refer you to p. 6-41 of Budget paper no. 1 for 2012-13 and Budget paper no. 1 p. 6-38 for last year's budget 2011-12. These pages include spending under the infrastructure water savings program, known as Sustainable Rural Water Use and Infrastructure program. Can you confirm estimates that arise from these tables show that the government is planning to spend almost \$219 million less on infrastructure savings this financial year, 2011-12, than predicted last year? What is the reason for this reduction?

Answer:

1. Expenditure from the Sustainable Rural Water Use and Infrastructure Program is expected to be around \$618 million for the 2011-12 financial year. Some funding has been reprofiled to reflect the requirements of individual projects and the expected time frames for rolling out programs. This will enable the flow of funds to match with project needs and takes into account the impact of delays arising through adverse weather conditions and State approval processes.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED

Question No: 077

Topic: Sustainable Rural Water Use and Infrastructure Program – Water recovery

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. Over what time frame will the government's target to recover 600 GL from the Sustainable Rural Water Use and Infrastructure program? Can you provide a timeline of the expected recovery of this water by year?

Answer:

1. The recovery of the 600 GL (long-term average annual yield) from the Sustainable Rural Water Use and Infrastructure Program (SRWUIP) is targeted to occur over the period to 30 June 2019.

As at 4 June 2012, 284 GL (long-term average annual yield) has been received or agreed in works contracts under SRWUIP. This represents 47 per cent of the expected total SRWUIP recovery.

The remaining 316 GL (long-term average annual yield) is projected to be recovered over the period to 30 June 2019. The recoveries by year will depend on the progress of individual contract negotiations and projects.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 078

Topic: Targeted Water Purchase Initiative in the Southern Murray-Darling Basin

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. How many successful bidders were there for Targeted Water Purchase Initiative in Southern Murray-Darling Basin? How much water was sold and how much did it cost?
2. How many offers to sell water were received in the Expressions of Interest phase of this tender?
3. How did the Department determine whether an offer to sell water was strategic or not?
4. Did the Department seek the permission of irrigator scheme operators before accepting offers to sell? If so did any irrigator operators object to the sale of water?

Answer:

1. As a result of the Targeted Purchase Initiative in the Southern Murray-Darling Basin the Australian Government is pursuing the purchase of more than 117 gigalitres of permanent water entitlements from 375 applications. The initiative had a budget of up to \$140 million and was fully subscribed.
2. The Expression of Interest phase of the Targeted Purchase Initiative received 914 offers from interested applicants.
3. The Targeted Purchase Initiative aimed to minimise the effect of government purchases on shared irrigation delivery networks. Only entitlements held outside of shared irrigation delivery networks or those where the relevant irrigation infrastructure operator advised the sale was consistent with their plans to modernise or reconfigure their network were considered eligible.
4. Irrigation infrastructure operators were not asked to approve or decline any sale under this purchase initiative. Where relevant, applicants were required to provide a letter from their irrigation infrastructure operator confirming that the sale was consistent with their plans to modernise and reconfigure their network.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 079

Topic: Strategic Sub-System Reconfiguration
Pilot Program

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. How does the announced Strategic Sub-System Reconfiguration pilot program differ from the Targeted Water Purchase Initiative just completed?
2. How will the government involve irrigation scheme operators in determining whether under-utilised or inefficient water infrastructure should be decommissioned?
3. Have any irrigation infrastructure operators supported the proposed Strategic Sub System Reconfiguration Pilot Program?
4. Have irrigation infrastructure operators recommended any changes to this program? If so, what are those changes and what has the government's response been to them?
5. Will the government require an assessment of any potential environmental costs of decommissioning irrigation infrastructure? Say, for example, if leaks help create an artificial environment or ecology?

Answer:

1. The Strategic Sub-System Reconfiguration program will integrate water purchasing with the rationalisation or reconfiguration of irrigation delivery infrastructure. The Targeted Water Purchasing Initiative only involved the purchase of water entitlements. However, the Targeted Water Purchasing Initiative was designed to minimise the effect of government purchases on shared irrigation delivery networks.
2. Guidelines for the Strategic Sub-System Reconfiguration program are currently under development.
3. Consultations with industry stakeholders over the new Strategic Sub-System Reconfiguration program are ongoing.
4. The program guidelines are still under development. Feedback from Irrigation Infrastructure Operators is being taken into account in the development of the program.
5. Guidelines for the Strategic Sub-System Reconfiguration program are currently under development.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 080

Topic: Water buyback programs - Budget

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. Why has the government reduced the administered funds allocated to the buyback program in 2012-13 by \$89 million?
2. Is the government considering any further tender rounds to purchase back water over the next financial year? If so in what catchments will these tenders occur?
3. The government has budgeted \$310m a year of water from 2014/15 onwards for water recovery "subject to willing sellers". What happens if not enough willing sellers come forward to meet the water recovery targets?
4. Can this \$310 million per year from 2014-15 be used to recover water through water saving infrastructure or by investing in environmental works and measures?

Answer:

1. The change in the Restoring the Balance in the Murray-Darling Basin program budget in 2012-13 reflects the Australian Government's decision to focus on targeted purchases in 2012, and to prioritise infrastructure spending.
2. The forecast for 2012-13 expenditure on water entitlement purchases under the Restoring the Balance in the Murray-Darling Basin program is \$138.7 million. There are currently no announced water purchase tenders under the Restoring the Balance in the Murray-Darling Basin program.
3. The Government has committed to bridge any remaining gap between current diversions and what is required to be returned to the environment by the final Basin Plan. A Water Recovery Strategy is currently under development which will outline the Government's approach to delivering on this commitment.
4. The \$310 million has been provided to the Restoring the Balance in the Murray-Darling Basin program to support water entitlement purchasing.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED

Question No: 081

Topic: Water tender conducted in the
Condamine-Balonne catchment

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. Can you provide an update on the outcomes of the recent water tender in the Condamine-Balonne catchment?
2. How much water was offered for sale and how much was bought?

Answer:

1. The most recent water purchase tender in the Condamine-Balonne was conducted in November 2011. This tender has been completed with several value for money offers being pursued.
2. The Department of Sustainability, Environment, Water, Population and Communities (the department) received several offers for a total of 2.25 gigalitres (nominal volume) of entitlements. The department is pursuing all of the offered entitlements as they were assessed as value for money purchases.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 082

Topic: Toorale Station

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. I refer you to an article The Australian on 17 May 2012 titled "Price of station a 'rip-off' on taxes". That article refers to Tony Burke stating the government will spend \$4 million to decommission "some of the irrigation network". What would this work involve and what would be its environmental benefits?
2. I refer you to another article in The Australian on the 16 May titled "\$24m for Australia's biggest birdbath. Is it correct that protected species of birds are preventing the decommissioning of the dams at Toorale? Is there any change that a full decommissioning plan will be implemented? If so, what will be the cost of this decommissioning? If not all of the dams are decommissioned at Toorale can production start up again at the station?

Answer:

1. The Commonwealth and New South Wales have agreed the scope of changes to the water management infrastructure on Toorale, particularly for the Warrego River. The works would modify or decommission dams and remove redundant irrigation infrastructure. The objective of the works is to reduce impediments to the flow of water in the Warrego River while not affecting the property's ecological character.
2. The Australian article of 16 May 2012 is not correct. The Australian Government is committed to maximising the benefit of its investment in Toorale and has allocated up to \$4 million to implement the full scope of works agreed with New South Wales, based on independent costing estimates.

Toorale is now managed by the New South Wales Government in perpetuity under the provisions of the *National Parks and Wildlife Act 1974* (NSW) as an International Union for the Conservation of Nature (IUCN) category II reserve. This property classification precludes agricultural production.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 083

Topic: Budget Measures – On-Farm
Irrigation Efficiency Program

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. Why did the government decide to expand the On-Farm Irrigation Efficiency program by \$150 million?
2. When will the government begin taking tenders for the On-Farm Irrigation Efficiency program?

Answer:

1. The On-Farm Irrigation Efficiency Program was expanded because the Australian Government is continuing its commitment to modernising irrigation infrastructure. The government is committed to delivering a plan for the Murray-Darling Basin that restores the rivers to health, ensures strong regional communities and sustainable food production. The program has already been successful in supporting individual farm infrastructure improvement projects and in returning a share of savings to the environment to help “bridge the gap” to the Sustainable Diversion Limits under the Basin Plan.
2. Round Three of the On-Farm Irrigation Efficiency Program opened on 11 May 2012 and will close on 26 July 2012. During June the Department of Sustainability, Environment, Water, Population and Communities conducted regional information sessions to inform irrigation communities about Round Three.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 084

Topic: Budget Measures – National Urban
Water and Desalination Plan

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. I note that the government has reduced funding to the National Urban Water and Desalination Plan by \$25.7 million. Is the remaining \$201.9 million in funding under this program contracted to specific projects? If not, is it allocated to specific projects or will there be further decisions about how to spend this money?

Answer:

1. All remaining funding under the National Urban Water and Desalination Plan is contracted to specific projects, with the exception of one contract that is under negotiation (value \$9.5 million) and funding of \$43.82 million that has been allocated for the third Stormwater Harvesting and Reuse Grant Round.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 085

Topic: Budget Measures – National Water Security Plan for Cities and Towns

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. I note that the government has reduced funding to the National Water Security Plan for Cities and Towns by \$25.7 million. Some of this funding has been reduced because a number of urban water projects have not met the conditions of their funding agreements. What were these projects and how much funding were they to receive?
2. Is the remaining \$96 million in funding under the National Water Security Plan for Cities and Towns contracted to specific projects? If not, is it allocated to specific projects or will there be further decisions about how to spend this money?

Answer:

1. As announced in the 2012-13 Budget (Budget Paper No.2, Part 2), the Australian Government has reduced funding to the National Water Security Plan for Cities and Towns by \$16.5 million because funding conditions for the following projects were not met:
 - Rockhampton to Gladstone Pipeline - \$10 million;
 - Coolum Ridges Water Recycling Demonstration Project - \$4.5 million;
 - Oberon Timber Complex Water Support Initiative - \$0.9 million;
 - ICLEI Oceania 'Making Water Happen' - \$0.24 million; and
 - Kingborough Sports Precinct Stormwater - \$1.03 million.
2. With the exception of three contracts that are being negotiated, all funds within the National Water Security Plan for Cities and Towns are allocated to projects.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 086

Topic: Negotiations on Menindee Lakes

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. What is the status of negotiations between the government and the NSW government on works on Menindee Lakes?
2. How much water are works at Menindee expected to contribute towards the sustainable diversion limit set by the basin plan?

Answer:

1. A joint evaluation team has been established with New South Wales Government which has met on three occasions since May 2012. Officials have agreed on the scope of infrastructure works to be investigated further. An engineering consultant is being sought to provide cost estimates for the proposed infrastructure. The team is working to assess potential water savings and operational benefits from the agreed scope of infrastructure works.
2. There are a range of potential projects involving combinations of infrastructure works, operational changes and volume of water savings. The Murray-Darling Basin Authority forms part of the evaluation team and will determine the potential savings and their contribution to the water recovery necessary to bring diversions within the new Sustainable Diversion Limits.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED

Question No: 087

Topic: Expenditure for water programs

Proof Hansard Page and Date: Written

or Written Question:

Senator Joyce asked:

1. Can the Department please provide a list of expenditure under each of the following programs for all financial years beginning 2007-08, and include the most up to date spending for the current financial year. Can the Department also provide forecast or projected for these programs over the forward estimates?
 - a. Restoring the Balance
 - b. Sustainable Rural Water Use and Infrastructure
 - c. National Water Security Plan for Cities and Towns
 - d. National Rainwater and Greywater Initiative
 - e. Green Precincts Fund

Answer:

- 1a. Actual expenditure under the Restoring the Balance program for the period 2007-08 through to 31 May 2012 is \$1.970 billion#. Projected expenditure* for the remainder of 2011-12 and the forward estimates is also provided.

Restoring the Balance	2007-08	2008-09	2009-10	2010-11	2011-12		2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	To 31 May \$'000	June \$'000	\$'000	\$'000	\$'000	\$'000
	33,059	371,706	780,188	357,657	427,025	134,764	140,671	150,013	349,190	410,400

- 1b. Actual expenditure under the Sustainable Rural Water Use and Infrastructure program for the period 2007-08 through to 31 May 2012 is \$1.043 billion^#. Projected expenditure* for the remainder of 2011-12 and the forward estimates is also provided.

Sustainable Rural Water Use and Infrastructure	2007-08	2008-09	2009-10	2010-11	2011-12		2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	To 31 May \$'000	June \$'000	\$'000	\$'000	\$'000	\$'000
	122,001	63,485	213,704	225,646	417,840	199,722	615,307	618,022	781,261	1,214,191

1c. Actual expenditure under the National Water Security Plan for Cities and Towns program for the period 2007-08 through to 31 May 2012 is \$122 million#. Projected expenditure* for the remainder of 2011-12 and the forward estimates is also provided.

National Water Security Plan for Cities and Towns	2007-08	2008-09	2009-10	2010-11	2011-12		2012-13	2013-14	2014-15	2015-16
	\$'000	\$'000	\$'000	\$'000	To 31 May \$'000	June \$'000	\$'000	\$'000	\$'000	\$'000
	10,000	13,041	13,659	17,240	68,387	19,524	70,471	14,536	8,000	2,945

1d. Actual expenditure under the National Rainwater and Greywater Initiative program for the period 2007-08 through to 31 May 2012 is \$8 million#. Projected expenditure* for the remainder of 2011-12 and the forward estimates is also provided.

National Rainwater and Greywater Initiative	2007-08	2008-09	2009-10	2010-11	2011-12	
	\$'000	\$'000	\$'000	\$'000	To 31 May \$'000	June \$'000
	Nil	620	4,661	2,315	241	292

1e. Actual expenditure under the Green Precincts Fund for the period 2007-08 through to 31 May 2012 is \$13 million#. Projected expenditure* for the remainder of 2011-12 and the forward estimates is also provided.

Green Precincts Fund	2007-08	2008-09	2009-10	2010-11	2011-12	
	\$'000	\$'000	\$'000	\$'000	To 31 May \$'000	June \$'000
	Nil	500	5,097	5,188	2,240	287

Notes:

- # All figures exclude departmental funding.
- * Projected expenditure is based on expense estimates as published in the 2012-13 Portfolio Budget Statements.
- ^ Excludes funds appropriated to the Murray-Darling Basin Authority.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 088

Topic: Adelaide Desalination Plant -
Payments

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. When will the government complete payments to the South Australian government for the Adelaide Desalination project? Have payments under this program been held up for any reason? If so, why? Have any milestones been missed? If so, which ones?

Answer:

1. Payments to the South Australian Government for the Adelaide Desalination Plant are made on completion of milestones set out under the two relevant implementation plans, one for the 50 gigalitre per annum desalination plant and a second for the augmentation to a 100 gigalitre per annum desalination plant. The implementation plans can be found on the Ministerial Council for Federal Financial Relations website under the National Partnership Agreement on 'Water for the Future':
http://www.federalfinancialrelations.gov.au/content/national_partnership_agreements/environment.aspx.

All payments have been made to South Australia in relation to construction of the 50 gigalitre plant. The final payment to South Australia in relation to the augmentation will be made upon achievement of the remaining milestones. All payments have been made to South Australia in a timely manner upon achievement of the relevant milestones. Milestone 2 has not yet been achieved.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 089

Topic: Northern Victoria Irrigation Renewal Project – Water recovery

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. Can you please provide a breakdown of how much water is expected to be recovered under NVIRP via the Goulburn or the Victoria Murray catchments?

Answer:

1. The Northern Victoria Irrigation Renewal Project (NVIRP) is a two stage project which is expected to deliver total water savings of 439 gigalitres Long-Term Cap Equivalent (LTCE).

The NVIRP Stage 1 is being funded by the Victorian Government and is expected to recover a volume of water entitlements which will provide, on average, annual water savings of 225 gigalitres LTCE.

The NVIRP Stage 2 is expected to recover a volume of water entitlements which will provide, on average, annual water savings of 214 gigalitres LTCE. Of this total, 101.9 gigalitres LTCE will be sourced from the Goulburn System and 102.1 gigalitres LTCE from the Victorian Murray System.

The NVIRP 2 On-farm project is expected to recover a volume of water entitlements which will provide, on average annual water savings of 20 gigalitres LTCE. The water recovered through this project will come from the Goulburn and Victorian Murray systems. However, as the water savings will come from farm upgrades on individual properties and the project only commenced on 22 November 2011 it is not possible at this time to provide a breakdown of water to be recovered from each of the two systems.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 090

Topic: Small Block Irrigators Exit Program

Proof Hansard Page and Date Written

or Written Question:

Senator Birmingham asked:

1. Please provide details on when the 5 year exclusion for land expires for grants paid to date. Under this program can an irrigator sell land to a neighbour who may have excess water and allow them to use it on this land?

Answer:

1. The five year exclusion period commences for each grant recipient from the date they receive the exit grant payment from the Commonwealth.

It is the responsibility of the exit grant recipient to ensure that their farm land is not used for irrigation before their five year exclusion period elapses. If irrigation resumes on the land before the five year period has elapsed, the exit grant recipient would be in breach of the conditions of funding and would be required to repay the exit grant in full to the Commonwealth.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED **Question No:** 091

Topic: Port Pirie Community Water Reuse Project

Proof Hansard Page and Date Written

or Written Question:

Senator Edwards asked:

1. The \$2.5 million Cities and Towns funding arrangements require the project to be completed by 30 June 2012. Are any elements of either the Nyrstar and Council elements of the project currently operating?
2. Is the June 30 2012 deadline for completion of all elements of the project going to be met? If not, why not?
3. I understand that this project commenced on 10 September 2010. In light of the June 30 2012 funding deadline, why has it taken until March 2012 for contracts for tenders to be advertised and awarded?
4. How much less water will be used in this first year as sourced from the river Murray?
5. Have there been any problems in dealings with the major private partner Nyrstar? Or with consultants and contractors?
6. Considering progress thus far, how much water is due to be recycled in the first year of the projects operation?
7. How much of this will go to the Council?

Answer:

The Australian Government is providing \$2.5 million of funding under the National Water Security Plan for Cities and Towns for the Port Pirie Community Water Reuse Project. The project commenced on 10 September 2010 and, according to advice from the local council which is managing the project, it has experienced delays as a result of a shipping strike in December 2011. Once completed, the project aims to reduce the draw on the River Murray by an estimated minimum of 350 megalitres per year with 100 megalitres of recycled water going to Council.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WED

Question No: 092

Topic: Release of a refined purchase plan

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. In the advice the Department gave to the Minister after the election it proposed to announce a refined “purchase plan” as soon as the Guide is released. Was that purchase plan released?
2. Does the government plan to release a refined “purchase plan” in the future? If so when?

Answer:

1. In its response to the Windsor Inquiry tabled on 24 November 2011, the Australian Government agreed to develop a publicly released water recovery strategy. Consistent with the response, the government is currently working with stakeholders to develop and refine this strategy, including the proposed approach to future purchasing. The strategy will be released for community consultation.
2. Refer to the answer to question one. No date has yet been set for the release of the water recovery strategy for community consultation.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD **Question No:** 093

Topic: Correspondence between the South Australian Premier and the Minister

Proof Hansard Page and Date 50

or Written Question: (23/5/12)

Senator Birmingham asked:

Senator BIRMINGHAM: The South Australian Premier has apparently written to Minister Burke. Has that letter been received?

Senator Conroy: I can take that on notice for you.

Answer:

Yes.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD **Question No:** 094

Topic: Reporting of changes to characteristics of Ramsar wetlands

Proof Hansard Page and Date 74

or Written Question: (23/5/12)

Senator Waters asked:

Senator WATERS: ...Has the Ramsar secretariat contacted the federal government over its failures to report adverse changes to any listed Ramsar wetlands, particularly to the Gippsland Lakes in Victoria—or to any other Ramsar sites, for that matter?

Mr Slatyer: In regard to the Gippsland Lakes, the Ramsar secretariat did pass on to us a notification by a third party of changes in the character of that lake system. That is the normal procedure: that is, whenever a third party approaches the Ramsar secretariat directly with a proposition that there has been a change in ecological character, the secretariat then refers that to the department. In the case of the Gippsland Lakes system we then go through a process to establish the validity, I suppose, of that claim. With that particular claim we have undertaken an assessment which is currently with the Victorian Department of Sustainability and Environment for checking and confirming that the conclusions and information in that report are okay with them. As soon as we have their feedback we will finalise that report and submit it to the Ramsar secretariat.

...

Senator WATERS: Could you possibly also take on notice and table for us if the Ramsar secretariat added any matters of substance when they referred to you that third-party information that had been sent to them.

Mr Slatyer: I will take that on notice.

Answer:

In referring the third party notification relating to the Gippsland Lakes Ramsar site, the Ramsar Secretariat highlighted only those issues raised by the third party.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD

Question No: 095

Topic: Water for the Future Review

Proof Hansard Page and Date Written

or Written Question:

Senator Birmingham asked:

1. Has consideration of the water for the future review progressed since February estimates? How?
2. When did the Government receive this review? When was this review first presented to cabinet? Has Cabinet requested further information or changes from the department in relation to any aspect of this review? Will it be released? Will there be a government response?

Answer:

- 1&2. The Water for the Future review was considered by the Cabinet in the budget process.
- Consistent with long-standing practice, the content and timing of advice to the Cabinet is confidential, as is the Cabinet discussion and response to this advice.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD **Question No:** 096

Topic: Water quality monitoring in the Lower Lakes and Coorong

Proof Hansard Page and Date Written

or Written Question:

Senator Hanson-Young asked:

1. Can the Department please outline how many water quality monitoring sites are currently installed in the lower lakes and Coorong, and also how many monitoring indicators there were in those places every year for the past decade? Does the Department intend to fund the installation of further monitoring sites in order to ensure water quality and salinity targets can be met?
2. Has the Department had any discussions or negotiations with local government or state government in regard to improving the barrages? Please provide details of those discussions and any outcomes.
3. What was the amount of funding that the Federal government gave to the states to help improve the issues relating to the Narrows and the removal of the Bund? How much of that money has been allocated and spent, and what outcomes were achieved? What auditing and accountability has been applied to ensure that those issues were addressed through the expenditure?

Answer:

1. Water quality monitoring at the Coorong and Lower Lakes is undertaken by the South Australian Government using eight indicators (water level, salinity, pH, alkalinity, turbidity, nitrogen, phosphorous and chlorophyll). There are currently 32 fixed telemetry stations in the Coorong and Lower Lakes measuring salinity and water level indicators. The telemetry stations also inform The Living Murray Program and long term monitoring and evaluation for the use of Commonwealth environmental water. Daily results from June 2009 are publicly available on the internet at:
<https://www.waterconnect.sa.gov.au/RMWD/Pages/default.aspx>.

Since August 2008, the South Australian Environment Protection Authority (EPA) has undertaken fortnightly water quality monitoring at 15-29 sites at the Lower Lakes measuring the water quality indicators (excluding water level) with the results publicly available on the EPA website at:

http://www.epa.sa.gov.au/environmental_info/water_quality/lower_lakes_monitoring.

There are currently no plans to install further monitoring sites.

2. The Department of Sustainability, Environment, Water, Population and Communities (the department) holds regular discussions with the South Australian Government on a wide range of water related issues including, from time to time, the operation of the barrages.

Under the \$200 million South Australian State Priority Project for the Coorong, Lower Lakes and Murray Mouth, the Australian Government will provide up to \$2.628 million for the installation of fishways into the barrages. The installation of fishways will allow for improved fish passage between the Murray Mouth Estuary and Lower Lakes for diadromous fish species. The department has regular discussions with the South Australian Government in relation to the management of the Coorong, Lower Lakes and Murray Mouth funding agreement including the fishways management action.

3. As part of the \$200 million South Australian State Priority Project for the Coorong, Lower Lakes and Murray Mouth, the Australian Government is providing up to \$1.927 million to the South Australian Government to remove the Narrung Bund. As of 19 June 2012, the South Australian Government has received \$0.885 million under the funding agreement. The Murray-Darling Basin Authority has also provided up to \$0.300 million to the South Australian Government for this project.

The due diligence approval and funding agreement for the removal of the Narrung Bund requires the South Australian Government to restore the site as close as practicable to its pre-construction state. This includes restoring full hydrological connectivity and removing navigation hazards to be confirmed through bathymetric surveys. The removal also needs to meet local community and Indigenous expectations for the restored site.

The removal of the Narrung Bund, between Lakes Albert and Alexandrina, commenced on 4 April 2011 and was completed on 18 July 2011. Removal of the Narrung Bund has restored connectivity between Lake Albert and Lake Alexandrina. The South Australian Government has funding approval to commence further dredging to remove lakebed high spots that remained when the structure was removed. This dredging is anticipated to commence in the first quarter of the 2012-13 financial year.

Once the high spots are removed it will be possible to determine, through bathymetric surveys of the lakebed, if the condition of 'as close as practicable to pre-construction state' has been achieved.

Meeting the conditions surrounding the removal of the Narrung Bund is confirmed through the assessment and subsequent approval of progress reports submitted by the South Australian Government, which includes financial expenditure.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD

Question No: 097

Topic: Budget measures – Water Reform
Division

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. Why has the government decided to reduce funding for the Murray-Darling part of the department by \$22.2 million in 2015-16?
2. Exactly what cost savings are going to make in 2015-16 and how can you so accurately predict those demands in three years time?

Answer:

1. These savings have been made taking into consideration the broader requirements of the Australian Government's budget.
2. Funding for the Driving Reform in the Basin will reduce by \$22.8 million in 2015-16. By this time, the Basin Plan will be in effect and ongoing Basin reform work should have stabilised.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD **Question No:** 098

Topic: Budget Measures – Murray-Darling Basin

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. What volume of water entitlements has been secured for the Murray-Darling, to go towards the sustainable diversion limit set by the basin plan, to date via infrastructure projects?
2. How much has been spent on infrastructure projects which have delivered or are expected to deliver water savings into the Murray-Darling to contribute towards the SDL set by the basin plan?
3. Of the 2,750 gigalitres of water that is planned to be diverted from productive to environmental use in the Murray-Darling Basin, how much will be acquired via infrastructure investment and how much via entitlement purchase?

Answer:

1. As at 4 June 2012, 284 gigalitres (long-term average annual yield) has been secured under contract for infrastructure projects funded under the Sustainable Rural Water Use and Infrastructure Program.
2. At 31 May 2012, the Australian Government has spent \$494 million on projects that have delivered or are expected to deliver water savings to help bridge the gap to the proposed new Sustainable Diversion Limits. These projects have a total contract value of \$1,652 million.
3. It is projected that of the proposed 2,750 gigalitres Sustainable Diversion Limit reduction, a total of 600 gigalitres will be recovered through Commonwealth infrastructure investments through the Sustainable Rural Water Use and Infrastructure Program, 153 gigalitres from state programs. So far, 1031 gigalitres has been secured through the water purchase program.

**Senate Standing Committee on Environment and Communications
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Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD

Question No: 099

Topic: Water for the Future Program review

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. Please provide an update on the Water for the Future program review. When is it due for completion?

Answer:

1. The Water for the Future review was considered by the Cabinet in the budget process.

**Senate Standing Committee on Environment and Communications
Legislation Committee**
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD **Question No:** 100

Topic: Murray-Darling Basin Plan -
Additional support to irrigation
communities

Proof Hansard Page and Date Written

or Written Question:

Senator Joyce asked:

1. Has the department been considering any ways to provide additional support to irrigation towns and communities to lower water after the basin plan? If so, what are those plans?

Answer:

1. Any consideration of, and advice on, this matter by the Department of Sustainability, Environment, Water, Population and Communities has been internal to the Australian Government.

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Budget Estimates, May 2012

Program: Division or Agency: 4.1: WRD

Question No: 101

Topic: Rationale for the termination of programs

Proof Hansard Page and Date Written

or Written Question:

Senator Xenophon asked:

I refer to the termination of the Raising National Water Standards Program and the Australian Water Fund.

1. Can you please indicate the rationale for the cancellation of these programs?

Answer:

1. The Raising National Water Standards program and the Australian Government Water Fund were established for five years in 2005-06 and extended until 2011-12.