

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WED

**Question No:** 71

**Topic:** PIIPSA funding

**Proof Hansard Page and Date** 40 (18/10/11)  
**or Written Question:**

**Senator Xenophon asked:**

Senator XENOPHON: What was anticipated at the time the project commenced for the amounts that would be spent and in what period? Can you take that on notice, in terms of any documents, any material, as to what was anticipated for the \$110 million fund?

Ms Harwood: Yes.

**Answer:**

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 committed up to \$110 million for an industry renewal project in South Australia.

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 (at **Attachment A** and **Attachment B** respectively) did not place a limit on the funding available, within the overall program budget of \$110 million.

The funding for the state priority project is available to be expensed over the life of the Sustainable Rural Water Use and Infrastructure Program (now expected to run until 30 June 2019).

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**Program: Division or Agency:** 4.1: WED **Question No:** 72  
**Topic:** Differences in efficiency  
across the Basin  
**Proof Hansard Page and Date** 40 (18/10/11)  
**or Written Question:**

**Senator Xenophon asked:**

Senator XENOPHON: Is the department able to say which parts of the basin are more efficient than others? On an empirical basis they are able to state that, are they not?

Mr Parker: We could take that specific question on notice.

Senator XENOPHON: If you could—in efficiency measures that have been implemented, issues of productivity and the like in terms of water evaporation or water wastage through inefficient techniques.

Mr Parker: Certainly. We will do what we can to provide that factual information.

**Answer:**

The Sustainable Rural Water Use Infrastructure Program (SRWUIP) funds a number of initiatives directed to improving rural water efficiency both within the Murray-Darling Basin (MDB) and across Australia. These programs are aimed at improving water efficiency at a variety of scales: water storage efficiency, distribution/conveyance (system) efficiency and on farm efficiency. In addition, past Commonwealth governments have also made significant financial contributions towards irrigation modernisation and salt interception in the Riverland, as well as parts of Victoria and New South Wales.

The water efficiency of systems on and off farm differs widely within regions so it is not possible to say that some geographical areas that are consistently more efficient than others. The wide range of irrigation delivery systems currently in use in the MDB including pipelines, earthen and lined channels, natural watercourses and direct pumping also make comparisons difficult.

A wide range of factors can influence system efficiency, including the characteristics of the irrigated area. The SRWUIP has provided funding to a range of irrigation water providers in the MDB and elsewhere, to examine the condition and efficiency of their systems and the measures and changes that might best contribute to *increased* efficiency given their circumstances and the industries they support. From these system level strategic plans, what has been found is that delivery system efficiency typically averages around 70 per cent but there are water irrigation providers that operate (at their maximum assessments) at a high level of efficiency, sometimes exceeding 90 per cent. The more efficient irrigation systems are located variously in South Australia, Victoria and New South Wales.

There are areas within the MDB that have identified clear benefit from SRWUIP funding to address system level efficiency improvements. SRWUIP is funding the Northern Victorian Irrigation Renewal Project Stage 2 which will undertake works to address water efficiency in the delivery system, undertaking a major modernisation project to change system level efficiency from around 70 per cent to around 85 per cent. The NSW Private Irrigation Infrastructure Operators Program has funded a number of projects which are looking to enable system level operators to increase efficiencies by a similar amount.

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Water use efficiency of on farm irrigation also varies significantly across the MDB due to factors such as the physical environment, local climate, the crop, soil type, the design of the irrigation system, and the capacity of farmers. Whilst many irrigators in a particular region may be relatively efficient, others may still be able to improve their on farm water use efficiency. Projects under the \$300 million On-Farm Irrigation Efficiency Program (OFIEP) are improving the efficiency and productivity of on farm water use and management in the southern MDB in South Australia, Victoria and New South Wales. Farmers undertaking OFIEP projects on their farms are securing the predicted water efficiency improvements from the infrastructure upgrades in projects completed to date, and in some cases achieving significantly better results than predicted.

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**Program: Division or Agency:** 4.1: WED

**Question No:** 73

**Topic:** Irrigation assessment

**Proof Hansard Page and Date** 41 (18/10/11)  
**or Written Question:**

**Senator Xenophon asked:**

Senator XENOPHON: I only have a couple more minutes, so I will ask: can you take on notice what assessments are being undertaken in terms of the efficiency—Mr Parker made reference to that—in terms of which areas have a pipe delivery system, a more efficient delivery system than others? My observation is that in the Riverland, at the very least, that has been one significant area where there has been some homogeneity in issues of having a pipe system, where it delivered efficiencies across the board in that area.

**Answer:**

Under the Sustainable Rural Water Use Infrastructure Program (SRWUIP), the Irrigation Modernisation Planning Assistance program is providing funding to irrigation water providers to develop modernisation plans for their districts. Providers are encouraged to consider the opportunities to upgrade delivery system infrastructure and address critical issues facing their system and region to increase the efficiency of their irrigation systems. Under three rounds of the program, grants of just over \$6 million have been approved for 23 irrigation water providers. The modernisation plans undertaken in the Murray Darling Basin represent around 80 per cent by volume of the irrigation water entitlements held in the Basin. The South Australian Renmark Irrigation Trust and the Central Irrigation Trust have both been provided funding under this program.

Hotspots Assessments are also a key assessment tool used under SRWUIP. In 2008, the Department of Sustainability, Environment, Water, Population and Communities contracted the CSIRO to develop an industry-agreed approach to conducting Hotspot Assessments and a Technical Manual for Assessing Hotspots in Channel and Piped Irrigation Systems. The approach in the technical manual is to use independent consultants, to identify the nature, location and amount of the most significant water losses in existing channel and piped irrigation delivery systems. Water losses are identified at a whole-of-system and sub-system level by incorporating local knowledge with data from irrigation infrastructure operators and detailed on-site investigations.

A number of irrigation districts in the Murray-Darling Basin already operate with piped delivery systems. Any decision by other irrigation bodies to change from channel to piped delivery would need to be based on a robust analysis of the costs and benefits of doing so, including balancing potential water efficiency gains with changes in energy requirements (for pumping) and life cycle costs for operating a revised delivery system. This is, in essence a business decision for each irrigation district to make.

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**Program: Division or Agency:** 4.1: WED

**Question No:** 74

**Topic:** On-Farm Irrigation Efficiency  
Program

**Proof Hansard Page and Date** 48 (18/10/11)  
**or Written Question:**

**Senator Joyce asked:**

Ms Harwood: Some of the other delivery partners in their consortium have had entities in their consortium that are suppliers of equipment, but the delivery partners themselves are not suppliers.

Senator JOYCE: Who were they?

Ms Harwood: From memory, at least one is Murray Irrigation, but I would need to check that and give you a correct answer.

Senator JOYCE: Were there others?

Ms Harwood: I will take that on notice just to be sure.

Senator JOYCE: There might have been more than one.

Ms Harwood: Yes, possibly.

**Answer:**

No members of the consortiums led by delivery partners are direct suppliers or installers of irrigation equipment.

Associates of consortium members involved in the supply of irrigation equipment are Centre Irrigation and MILCast.

The company principal of Center Irrigation is Mr Ian Sobey, who is also involved with Agrivice Pty Ltd. Agrivice Pty Ltd is a member of the consortium which is led by Irrigation Efficiency Partners.

MILCast, which is a separate business unit of Murray Irrigation Limited, manufactures irrigation materials.

These are both consistent with the Guidelines which require only that the delivery partner cannot supply or install irrigation equipment.

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**Program: Division or Agency:** 4.1: WED **Question No:** 75

**Topic:** Application process for the  
On-Farm Irrigation Efficiency  
Program

**Proof Hansard Page and Date** 49 (18/10/11)  
**or Written Question:**

**Senator Joyce asked:**

Ms Harwood: In the assessment process for assessing the applicants under the program in round 2, there was an assessment panel that included expertise relating to financial matters but also the use of an external financial and auditing expert. In the view of the external financial and auditing expert, IEP met the eligibility criteria as they demonstrated financial viability through the documents that they provided and that they could be reasonably expected to provide.

Senator JOYCE: What documents did they provide?

Ms Harwood: I would have to take that on notice in terms of the detailed documents that they provided with their applications.

Senator JOYCE: You managed to get all that information in 10 days from a new organisation.

Ms Harwood: The organisation submitted sufficient documentation to satisfy the financial and auditing experts.

Senator JOYCE: You just said 'sufficient documentation'. What is it? What is sufficient documentation?

Ms Harwood: As I said, the precise documentation I will take on notice.

Senator JOYCE: How did you come up with the statement that they provided sufficient documentation?

Ms Harwood: That is the case. You have asked me for the specific documentation.

Senator JOYCE: But how do you know? I have asked you what it is and you cannot provide it for me.

...

Ms Harwood: You have asked me for the precise documents that IEP provided.

Senator JOYCE: Any form of documentation at all.

...

Ms Harwood: We can provide you with a description of the documentation provided by IEP.

**Answer:**

Irrigation Efficiency Partners Pty Ltd (IEP) provided a completed application form and attachments including a map of the proposed project area, descriptions of sub-project types and associated financial and technical information, and details of water entitlements.

In addition to their application, IEP also provided:

- An audited financial statement;
- A list of referees;
- A list of consortium members;
- A document listing the environmental, economic and social benefits of their proposed project; and
- A project risk assessment.

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**Program: Division or Agency:** 4.1: WED **Question No:** 76

**Topic:** External auditing panel for the  
On-Farm Irrigation Efficiency  
Program

**Proof Hansard Page and Date** 50 (18/10/11)  
**or Written Question:**

**Senator Joyce asked:**

Senator JOYCE: Who was that external auditing panel or auditor?

Ms Harwood: I will get the name for you. I have two sources of advice on this matter: one is a financial adviser called Ian Brooks, an expert, and the other is the firm KPMG.

Senator JOYCE: Where is Ian Brooks from?

Ms Harwood: He is from Brisbane, I understand.

Senator JOYCE: Who does he work for?

Ms Harwood: We will get you the company name and provide that on notice. I do not have that documentation with me, I am sorry.

Senator Conroy: You said you would take that on notice.

Senator JOYCE: Would you be able to table the document also from KPMG?

Ms Harwood: We will get you the description of the financial assessment and the stuff that was provided by both Ian Brooks and KPMG.

**Answer:**

Mr Ian Brooks was engaged as a member of the On-Farm Irrigation Efficiency Program Round 2 Assessment Panel. Mr Brooks is a partner of Synergy Group Australia Limited. Mr Brooks was appointed to the Stage 1 assessment panel for Round 2 to provide independent specialist advice on financial and accounting matters. Mr Brooks is also a Principal of WHK Audit and Assurance. WHK is a firm that was partnered with Synergy Group Australia Limited at the time Mr Brooks was engaged.

KPMG was contracted to conduct an independent financial viability risk assessment of all the applicants for Round 2 and reported on the short, medium and long-term viability of each, including Irrigation Efficiency Partners (IEP).

Financial viability risk is assessed on a 'point in time' basis and relates to the information submitted by the applicant. KPMG provided a risk rating and risk reasoning for each applicant against various financial indicators.

IEP were given low risk ratings for liquidity, contingent liability and accounting policy, a medium risk rating for financing risk and a high risk rating for profitability. KPMG noted that the latter risk ratings arose because of factors connected with the recent formation of IEP.

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**Program: Division or Agency:** 4.1: WED **Question No:** 77  
**Topic:** Communication between the  
department and Irrigation  
Efficiency Partners  
**Proof Hansard Page and Date** 50 and 52 (18/10/11)  
**or Written Question:**

**Senators Joyce and Birmingham asked:**

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Senator JOYCE: Did the department have any correspondence with IEP after the closing date but before the projects were announced?

Ms Harwood: I would have to confer. I do not believe so but we will take that on notice in terms of whether they made any follow-up or whatever. They would have submitted an application which was then assessed and the results of the assessments announced. That is the process.

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Senator BIRMINGHAM: One final question, perhaps, to Ms Harwood on the matter Senator Joyce was pursuing. Did the department have any correspondence after the closing date with the parties involved but before the announcement of funding?

Ms Harwood: I think that is the same question that Senator Joyce asked and I will take it on notice. I do not believe so, but I will take it on notice and confirm. This is whether there was any written correspondence between the department and IEP after the closing date—

Senator BIRMINGHAM: Or any communication at all.

Ms Harwood: Any communication at all?

Senator BIRMINGHAM: It can be in a form other than written correspondence.

Ms Harwood: I will ascertain that and get back to you.

Senator BIRMINGHAM: There was no communication between you and the party involved?

Ms Harwood: Not me personally, no.

Senator BIRMINGHAM: So you can take it on notice with regard to other departmental officials.

**Answer:**

There were two instances of correspondence between the department and Irrigation Efficiency Partners Pty Ltd (IEP) after the application closing date (31 March 2011) but before in-principle funding was announced (7 July 2011):

- A letter acknowledging receipt of application from the department to IEP dated 4 April 2011. This letter is a requirement of the On Farm Irrigation Efficiency Program (OFIEP) Round Two Guidelines. Similar letters are sent to all applicants of the program; and
- IEP telephoned the department to ask how to process a request from a legal firm who wished to clarify their role as a service provider to IEP, rather than as a consortium member. IEP were advised that clarification to the department should be put in writing. IEP did so in an email dated 15 April 2011, covering a letter of clarification from the legal firm.

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**Program: Division or Agency:** 4.1: WED **Question No:** 78

**Topic:** Grant provided to Irrigation  
Efficiency Partners

**Proof Hansard Page and Date** 51 (18/10/11)  
**or Written Question:**

**Senator Joyce asked:**

Senator JOYCE: It does not actually go into the river, though. You have not answered the final question. How much water is being offered to the Commonwealth for the \$32 million of taxpayers' funds—that they managed to get their hands on without three years of audited financial statements? I wish I could get that. I wish I could get my hands on \$32 million in 10 days.

Ms Harwood: I can get you the precise value proposition which was the basis for the in-principle approval of their funding. But it is a key component of the assessment of projects and they provided a water return at a good value proposition, which is why they were granted the equivalent figure.

Senator JOYCE: How much water is being offered to the Commonwealth?

Ms Harwood: I am sorry, I just do not have that figure with me.

Senator Conroy: We can take that on notice.

**Answer:**

In their Stage One application Irrigation Efficiency Partners Pty Ltd proposed that water savings to be returned to the Commonwealth from their project would total 11,818ML.

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**Program: Division or Agency:** 4.1: WED

**Question No:** 79

**Topic:** Eligibility under the irrigators  
exit program

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Birmingham asked:**

1. Has the Department had complaints from farmers that sold their farms and were eligible under the exit grant program for funding but have missed out as the funding ran out? Has there been any consideration of extending funding to meet grant payments in such circumstances?

**Answer:**

1. The Small Block Irrigators Exit Grant program commenced on 20 September 2008 and closed on 30 June 2009. The program enabled eligible irrigators to sell their water entitlements and leave irrigated agriculture, while at the same time remain in their homes and continue to be part of their local community. The Small Block Irrigators Exit Grant program had no requirement for irrigators to sell their farms.

The Small Block Irrigators Exit Grant program comprised of an Exit Grant of up to \$150,000, up to \$10,000 for advice and re-training and up to \$20,000 to assist with the removal of permanent plantings and production related infrastructure.

Sufficient funding was available for all eligible irrigators who applied by the closing date of 30 June 2009. No complaints have been received from farmers who would have been eligible but missed out due to insufficient funding.

The Small Block Irrigators Exit Grant program was separate from the Department of Agriculture, Fisheries and Forestry's Exceptional Circumstances Exit Package, which was designed to assist eligible farm families who chose to leave the land.

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**Program: Division or Agency:** 4.1: WED

**Question No:** 80

**Topic:** Water buybacks

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Birmingham asked:**

1. Are water buybacks operating with any reference to the Basin plan process or do they continue to be haphazard? How does the Guide to the Proposed Basin Plan inform buybacks?
2. When was the latest round of buybacks planned?
3. What was stopping this round being delayed in light of the delay to the proposed Basin Plan?
4. How much has been spent on water buybacks to date since 2007?
5. How much does the Government expect to expend on water buy backs still? Please provide breakdowns of planned expenditure in each year and the size of entitlements expected to be acquired.
6. Please provide a table outlining for each catchment the volume of water recovered from each buyback round and the average cost per mega litre of this water since 2007.

**Answer:**

1. Water purchase decisions have been and continue to be guided by the best available information on the amount and location of water needed to maintain the health of rivers and wetlands. The type of water entitlements which will best meet the needs of the environment is also considered.
2. A series of three tenders in the Queensland Lower Balonne, Border Rivers and Namoi catchments was announced by the Minister on 21 September 2011.
3. The tenders announced by the Minister on 21 September 2011 were a cautious step toward meeting the environmental watering needs of these Northern Basin catchments prior to the release of the draft Basin Plan on 28 November 2011. The Murray Darling Basin Authority had confirmed that water recovery is required for the environment in these catchments. A steady and measured approach to the recovery of water for the environment minimises the disruption to the water market.
4. Expenditure to date under the Restoring the Balance Program is shown in the table below.

| Restoring the Balance | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12<br>(up to end<br>October 2011) |
|-----------------------|---------|---------|---------|---------|--|
|                       | \$'000  | \$'000  | \$'000  | \$'000  | \$'000                                 |
|                       | 33,059  | 371,706 | 780,188 | 357,677 | 205,379                                |

5. The total funding committed to the Restoring the Balance in the Murray-Darling Basin program is \$3.1 billion. The Australian Government has announced that it is not considering general tenders in the southern connected system prior to 2013. The timing and volume of future program expenditure will be determined by the settings in the final Basin Plan and the market response to future rounds of water purchasing.

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6. The Department of Sustainability, Environment, Water, Population and Communities (the department) reports aggregated information on purchases secured through exchanged contracts which is updated on a monthly basis, including the average price paid for each trade over the life of the Restoring the Balance in the Murray-Darling Basin program. This information can be accessed at: <http://www.environment.gov.au/water/policy-programs/entitlement-purchasing/2008-09.html>

The department also reports the average prices paid, broken down by water entitlement class, in each tender conducted since the beginning of 2010. These data are available at: <http://www.environment.gov.au/water/policy-programs/entitlement-purchasing/average-prices.html>

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**Program: Division or Agency:** 4.1: WED

**Question No:** 81

**Topic:** Water infrastructure

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Birmingham asked:**

1. What volume of water entitlements has been secured to date via infrastructure projects?
  2. What is the volume of water entitlements expected to be secured from projects approved but not yet completed?
  3. What volume of water entitlements is expected to be secured from as yet unallocated funds?
  4. What is the average cost per megalitre of water entitlements secured under the on farm program compared to the off farm program?
  5. Please provide a table outlining for each catchment the volume of water recovered from each infrastructure program, the proportion of such water being returned to the environment, the cost per mega litre of this water since 2007.
  6. How much has been spent on water-saving infrastructure to date since 2007?
  7. How much does the Government expect to expend on water-saving infrastructure still?
- Please provide breakdowns of planned expenditure in each year and the size of entitlements expected to be acquired.

**Answer:**

1. At 30 September 2011, 76.5 gigalitres (GL) Long Term Cap Equivalent (LTCE) for the environment had been secured under signed works agreements for projects under the Sustainable Rural Water Use and Infrastructure Program (SRWUIP). This volume will be progressively transferred to the Commonwealth over the life of SRWUIP as projects are delivered.
2. In addition to the water at Question 1 above an additional 112GL of water has been secured for SRWUIP in signed project contracts for works associated with the Northern Victorian Renewal Program Stage 2.
3. Over the life of the program, SRWUIP investment is estimated to acquire around 600 GL LTCE for the environment.
4. The volume-weighted average cost per megalitre of water savings in entitlements for the Commonwealth from the agreed on and off-farm programs under SRWUIP at 30 September 2011 is outlined below:

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| <b>Description</b> | <b>Programs included</b>   | <b>Volume-weighted average cost per ML Commonwealth entitlements (\$/ML)</b> |
|--------------------|--|--|
| On-farm            | On-farm Irrigation Efficiency Pilot Projects; On-farm Irrigation Efficiency Program (OFIEP) Round 1; New South Wales Irrigation Farm Modernisation Pilot Project; NSW Metering Scheme Pilot Project; Queensland Healthy Headwaters On-farm Water Use Efficiency Project Phase 1.1. | \$3,157/ML   |
| Off-farm           | NSW Private Irrigation Infrastructure Operators Program (PIIOP) Round 1; Private Irrigation Infrastructure Program for South Australia (PIIPSA) Round 1; SA Riverine Recovery Project (Phase 1 and Early Works).   | \$4,273/ML   |

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5. The table below shows a breakdown of water secured under signed works agreements as at 30 September 2011.

Total water savings (GL LTCE) by catchment split for SWRUIP entitlements secured under signed works agreements at 30 September 2011

| Catchment   | Border Rivers |              | Condamine Balonne | Goulburn Broken | Gwydir       | Lachlan      | Macquarie     | Murrumbidgee  | Murray        |              |              | Water Savings (GL LTCE) |                             | Cost (\$/ML entitlement) for savings for the environment |
|---|---------------|--------------|-------------------|-----------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|-------------------------|-----------------------------|--|
|   | NSW           | Qld          |                   |                 |              |              |               |               | NSW           | Vic          | SA           | Total Savings           | Savings for the Environment |  |
| On-farm Irrigation Efficiency Pilot Projects        |               |              |                   |                 | 0.375        | 0.436        |               |               | 0.784         |              |              | 1.595                   | 1.595                       | 2,323  |
| OFIEP   |               |              |                   | 8.233           |              | 1.950        |               | 6.892         | 15.798        | 4.140        | 0.635        | 37.649                  | 24.507                      | 2,680  |
| NSW PIOP  |               |              |                   |                 |              |              | 19.809        | 15.268        |               |              |              | 35.077                  | 34.106                      | 3,886  |
| SA PIIPSA   |               |              |                   |                 |              |              |               |               |               |              | 1.247        | 1.247                   | 0.845                       | 4,968  |
| NSW Irrigation Farm Mod. Pilot                      | 0.215         |              |                   |                 | 0.724        |              |               |               |               |              |              | 0.939                   | 0.470                       | 3,988  |
| NSW Metering Scheme Pilot                           |               |              |                   |                 |              |              |               |               | 8.570         |              |              | 8.570                   | 5.140                       | 3,671  |
| SA Riverine Recovery *                              |               |              |                   |                 |              |              |               |               |               |              | 4.702        | 4.702                   | 4.702                       | 5,933  |
| Qld Healthy Headwaters On-farm Water Use Efficiency |               | 8.144        | 1.940             |                 |              |              |               |               |               |              |              | 10.084                  | 5.151                       | 4,634  |
| <b>Total</b>  | <b>0.215</b>  | <b>8.144</b> | <b>1.940</b>      | <b>8.233</b>    | <b>1.099</b> | <b>2.386</b> | <b>19.809</b> | <b>22.160</b> | <b>25.152</b> | <b>4.140</b> | <b>6.584</b> | <b>99.862</b>           | <b>76.516</b>               |  |

Note: Allow for minor rounding.

\*Assumes phase 2 of Riverine Recovery proceeds.

6. At 30 September 2011, under SRWUIP, the Australian Government had paid against delivered milestones \$644 million on water saving infrastructure and water efficiency and water knowledge and planning projects and programs.

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7. The Government has committed \$5.8 billion for the SRWUIP and the budget profile for this specific program for the forward estimates is provided below. Until project details are agreed and/or competitive funding grant rounds are complete, information about the volume, character and source of water savings that will be transferred is not available.

|   | <b>2011-12</b> | <b>2012-13</b> | <b>2013-14</b> | <b>2014-15</b> |
|---|----------------|----------------|----------------|----------------|
| <b>Sustainable Rural Water Use<br/>and Infrastructure Program</b> | <b>\$'000</b>  | <b>\$'000</b>  | <b>\$'000</b>  | <b>\$'000</b>  |
|   | 867,740        | 808,999        | 645,997        | 797,000        |

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**Program: Division or Agency:** 4.1: WED

**Question No:** 82

**Topic:** Menindee Lakes

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Birmingham asked:**

1. Please provide an update on the status of negotiation between the Government and the NSW Government over the Menindee Lakes project? What progress is being made?

**Answer:**

1. In June 2011, the NSW Premier, the Hon Barry O'Farrell MP, wrote to the Prime Minister, the Hon Julia Gillard MP, terminating the Menindee Lakes Memorandum of Understanding (MOU). On 10 September 2011 the Prime Minister wrote to the NSW Premier proposing further engagement between the Australian and NSW governments to identify a project that would most effectively secure Broken Hill's water supply and achieve substantial water savings at the Menindee Lakes.

On 19 September 2011, the Hon Tony Burke MP wrote to the NSW Minister for Primary Industries, the Hon Katrina Hodgkinson MP, proposing that officials from the NSW Government and the Department of Sustainability, Environment, Water, Population and Communities (the department) jointly prepare a discussion paper analysing the preferred project options from each Government.

On 17 October 2011, two technical reports commissioned by the department were released on the department's website: a CSIRO technical report on potential water savings; and a Geoscience Australia professional opinion report on potential use of groundwater to supplement surface water supplies to Broken Hill under dry conditions. The reports can be accessed at:  
<http://www.environment.gov.au/water/policy-programs/srwui/menindee-lakes/index.html>.

On 7 November 2011, the NSW Premier responded to the Prime Minister indicating that, subject to a review by NSW Minister Hodgkinson of the CSIRO and Geoscience Australia reports, NSW was willing to work with Australian Government officials to prepare a joint discussion paper analysing NSW and Australian Government options.

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WED **Question No:** 83

**Topic:** Orange to Macquarie River  
pipeline

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Birmingham asked:**

1. Has funding been provided for the Orange pipeline?
2. How much has been paid?
3. When will other payments be made?
4. How much water does this project save?
5. How much water will be provided to the Commonwealth for the purposes of environmental allocations?

**Answer:**

1. The Australian Government has committed \$20,000,000 (GST exclusive) to the Orange Pipeline project.
2. \$2,000,000 (GST exclusive) has been paid so far.
3. Further payments will be made upon the completion of performance milestones and reports as specified in the Implementation Plan for Orange City Pipeline and consequential assessment by the Department of Sustainability, Environment, Water, Population and Communities.
4. Nil.
5. Nil.

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WED **Question No:** 84

**Topic:** Swiss-cheese effect on the water buyback program

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Hanson-Young asked:**

1. Has the Department undertaken any assessments of the so called “swiss cheese” effect of the water buyback program?
2. What did these assessments find? Can we obtain copies of these assessments?
3. What measures does SEWPAC have in place to optimise the regional benefits of water buyback, avoid any “swiss cheese effect”?

**Answer:**

1-2. The Department of Sustainability, Environment, Water, Population and Communities has not undertaken specific assessments of the so called “swiss cheese” effect, but has funded work by irrigation infrastructure operators to plan for the modernisation of their delivery networks, including assessing the potential for reconfiguration and rationalisation in light of future expected water availability.

3. The Australian Government has provided substantial funding to irrigation network operators to develop long-term modernisation plans for their delivery networks, including the identification of inefficient or high cost parts of their network which could potentially be rationalised.

Infrastructure investment programs such as the NSW Private Irrigation Infrastructure Operators program and the Northern Victoria Irrigation Renewal program are funding major irrigation system renewal (both on and off-farm) and rationalisation works. The Irrigator Led Group Proposals program also provides a mechanism for groups of irrigators to sell their water entitlements, and, in conjunction with their irrigation water provider, decommission underutilised or inefficient off-farm water delivery infrastructure. The Government has also committed to consultation with industry about how to better integrate water purchasing with infrastructure reconfiguration.

The Water Charge (Termination Fees) Rules 2009 under the *Water Act 2007* specify the conditions under which irrigation infrastructure operators can levy a fee on any irrigator who terminates their delivery right. These fees provide infrastructure operators with revenue certainty (in the short to medium term) which allows for the management and adjustment of irrigation networks. It also mitigates the risk that operators will increase charges to remaining irrigators as a result of termination by others in the network.

**Senate Standing Committee on Environment and Communications  
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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WED **Question No:** 85

**Topic:** Assessments from the water  
buyback program

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Hanson-Young asked:**

1. Has the Department undertaken any assessments of regional economic and environmental benefits from the water buyback program? Can I obtain copies of these assessments?

**Answer:**

1. The Department of Sustainability, Environment, Water, Population and Communities (the department) commissioned a review after the first round of water purchases, conducted by Hyder Consulting in association with Access Economics. This was completed in September 2008.

This report can be accessed via the department's website:

<http://www.environment.gov.au/water/publications/mdb/2007-08-water-entitlement-review.html>

The department also commissioned a report into the effect of the Water for the Future programs in assisting with the transition to the new sustainable diversion limits in the Basin Plan. The report was undertaken by the Australian Bureau of Agricultural and Resource Economics and the Bureau of Rural Sciences. It was completed in October 2010.

This report can be accessed via the following link:

[http://www.daff.gov.au/\\_\\_data/assets/pdf\\_file/0011/1812971/regional-impact-mdba-2010.pdf](http://www.daff.gov.au/__data/assets/pdf_file/0011/1812971/regional-impact-mdba-2010.pdf)

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WED **Question No:** 86

**Topic:** Sustainable Rural Water Use  
and Infrastructure Program

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Hanson-Young asked:**

1. Has the Department completed cost-benefit assessments of irrigation infrastructure proposals funded under the Sustainable Rural Water Use and Infrastructure program? Do these assessments include both gross and net benefits? Can I obtain copies of these assessments?
2. Has the Department assessed if the irrigation infrastructure operators who have submitted funding proposals under Sustainable Rural Water Use and Infrastructure Program:
  - a. Are economically viable?
  - b. Have set user charges at a level sufficient to recover the full costs of operating and maintaining infrastructure works funded under the Sustainable Rural Water Use and Infrastructure Program?
  - c. Can I obtain copies of these funding proposals and the Departments assessments of them?

**Answer:**

1. The framework for State Priority Projects which represent a \$3.2 billion commitment from the \$5.6 billion of administered funds under the Sustainable Rural Water Use and Infrastructure Program (SRWUIP) requires the State Government to include a detailed Cost Benefit Analysis in the business case for their respective project proposal consistent with the Commonwealth Department of Finance and Deregulation handbook on cost benefit analysis. Other proposals received from irrigators, irrigation operators or other entities are required to provide information which can be used to assess the costs and benefits of the proposal. The Department of Sustainability, Environment, Water, Population and Communities (the department) normally has this information independently assessed as part of project due diligence assessments. This can include stand alone cost benefit analysis. At other times project due diligence reviews the respective costs and benefits of the proposals based on the information provided by the applicant, alongside the selection criteria for the program.
- 2a. Yes. In accordance with program guidelines, during the assessment of applications received under Private Irrigators Infrastructure Operators Program, the Private Irrigation Infrastructure Program for South Australia and the On Farm Irrigation Efficiency Program, indicators of the financial viability of applicants are assessed, noting that applicants for the latter two programs are broader than irrigation infrastructure operators.
- 2b. The method by which a business entity recovers project operating and maintenance depends upon the character of the project operator and regulatory frameworks. Some private entities are subject to pricing regulation and commercial pressures, while government entities may be subject to regulation or direct government decision making on user charges. Irrigation businesses are also subject to the Australian Competition and Consumer Commission's market charging rules arrangements where relevant.

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2c. Details of commercial and private information provided through applications are not publicly available. Providing all applications and assessments to all elements of SRWUIP would place a substantial burden on departmental resources and on applicants. There are many thousands of pages of applications and assessments under the various SRWUIP sub programs. In each case the department would need to check page content and obtain agreement (if possible) from each applicant to the release of their application and related assessments.

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WED

**Question No:** 87

**Topic:** Water buyback program

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Joyce asked:**

1. Is the Department considering any ways of making buybacks more strategic? If so, what are they and have these ideas been discussed with stakeholders? Is the Department close to announcing a change in the guidelines of its buyback program?

**Answer:**

1. The Australian Government remains committed to 'bridging the gap'.

The Government has responded to the Windsor Inquiry's recommendations on strategic buyback. As outlined in the Government's response, there will be further consultation with industry on a program which integrates water purchasing and infrastructure reconfiguration.

A water recovery strategy will also be developed in consultation with industry and community stakeholders, to give communities more confidence in the water recovery program.

Buyback spending for the remainder of 2011 and 2012 will focus on targeted purchases, including those which can be made in conjunction with infrastructure reconfiguration. The Government is not considering general tenders in the southern connected system prior to 2013.

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**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WED

**Question No:** 88

**Topic:** Sub-system retirement

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Joyce asked:**

1. Does the department have any plans for a new program at sub-system retirement? If so, what are those plans?

**Answer:**

1. The Irrigator-led Group Proposal program was launched on 9 October 2008. This program is available to groups of irrigators who may wish to develop coordinated proposals for selling their water entitlements to the Commonwealth and decommissioning inefficient shared off-farm irrigation supply infrastructure.

As announced in the Australian Government's response to the Windsor Report, the Government is consulting with industry stakeholders on possible improvements to the Irrigator-led Group Proposal program.

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**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WED

**Question No:** 89

**Topic:** Program expenditure

**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.

**Answer:**

1a. Actual expenditure under the Restoring the Balance program for the period 2007-08 through to 31 October 2011 is \$1.75 billion\*. Projected expenditure over the forward estimates is also provided.

1b. Actual expenditure under the Sustainable Rural Water Use and Infrastructure Program for the period 2007-08 through to 31 October 2011 is \$650 million\*. Projected expenditure over 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 |
|-----------------------|---------|---------|---------|---------|-------------------------|-------------------------|---------|---------|---------|
|                       | \$'000  | \$'000  | \$'000  | \$'000  | 1 June to 31 Oct \$'000 | 1 Nov to 30 June \$'000 | \$'000  | \$'000  | \$'000  |
|                       | 33,059  | 371,706 | 780,188 | 357,657 | 205,043                 | 246,746                 | 349,671 | 150,013 | 449,190 |

| Sustainable Rural Water Use and Infrastructure Program *^ | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12                 |                         | 2012-13 | 2013-14 | 2014-15 |
|---|---------|---------|---------|---------|-------------------------|-------------------------|---------|---------|---------|
|   | \$'000  | \$'000  | \$'000  | \$'000  | 1 June to 31 Oct \$'000 | 1 Nov to 30 June \$'000 | \$'000  | \$'000  | \$'000  |
|   | 122,001 | 63,485  | 213,725 | 225,646 | 25,371                  | 819,307                 | 785,571 | 645,997 | 797,000 |

\* Excludes departmental funding.

^ Excludes funds appropriated to the Murray-Darling Basin Authority.

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**Program: Division or Agency:** 4.1: WRD

**Question No:** 90

**Topic:** Release of draft Basin Plan -  
refined 'purchase plan'

**Proof Hansard Page and Date  
or Written Question:** Written

**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?

**Answer:**

1. A purchase plan has not yet been released.

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WGD **Question No:** 91

**Topic:** South Australian desalination  
plant

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Xenophon asked:**

1. Under the current agreement with the South Australian Government, the Federal Government will contribute an additional \$228 million to expand the South Australian desal plant to a 100 gigalitre capacity, is that correct?
2. In early August this year, the Adelaide Advertiser reported that there had been a “year long stand-off” over the wording in the deal – where the South Australian Government said that the expansion would “reduce our reliance” on the River Murray, which they meant as not taking any further allocations in the future, not actually reducing the amount taken now.
  - a. Is it correct that the current agreement uses the South Australian Government’s interpretation of this phrase, and does not require them to make any cuts in allocation?
  - b. Are there any exceptions in this agreement, for example if there is a sudden increase in demand, for some reason?
  - c. What scientific data was the agreement that 100 gigalitres would mean SA never has to increase its allocation based on?
  - d. Did the Government undertake a review of this data?
3. Did the Federal Government obtain any undertakings on price increases for household consumers of water?

**Answer:**

1. Yes
- 2a. The agreement requires South Australia to implement arrangements that will reduce reliance on the River Murray as set out in clause 4, the project milestones and schedule 1 of the implementation plan for augmentation of the Adelaide Desalination Plant (100 gigalitres per annum).
  - b. The agreement provides for the environmental provision to vary depending on water availability in a particular year. There is provision for the agreement to be reviewed every five years.
  - c-d. The Australian Government considered the information provided by South Australia on the benefits of expanding the Adelaide Desalination Plant.
3. Funding for the project is conditional on the project complying with the *National Water Initiative* (NWI) pricing principles and their implementation arrangements.

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

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**Program: Division or Agency:** 4.1: WGD **Question No:** 92

**Topic:** Commonwealth  
Environmental Water holdings

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Birmingham asked:**

1. Is the CEWH aware of criticisms on the way that it uses its water holdings?
2. What is being done with the water currently held?
3. What was the total allocation against entitlements for CEWH licences in 2010/11. Were all allocations used for environmental water activities for 2010/11? For what purposes? Please provide details for each allocation.
4. What is the expected size of holdings by the end of 2011-12 (entitlement and allocation)?
5. How/where have allocations been used to date this year? Please provide details of each usage.
6. What volumes have been allocated for environmental water activities for the remainder of the year? Please provide details of each planned environmental water usage.
7. How will the NWC's report on the Framework for the assessment of river and wetland health be used in relation to the use of environmental water holdings, or for that matter by the MDBA in development of the basin plan?

**Answer:**

1. Feedback on the use of Commonwealth environmental water is actively sought through regular stakeholder engagement activities and the Commonwealth Environmental Water website. There are a range of views amongst stakeholders about the use of Commonwealth environmental water, including considerable support.
2. Up until 30 June 2011 there has been 581 GL of Commonwealth environmental water used, with the objective of protecting and restoring environmental sites in the Murray-Darling Basin. As at 14 October 2011, up to 197 GL has been approved for delivery to environmental assets during 2011-12. A range of further options for the delivery of water to environmental assets in 2011-12 have been identified. The actions that are implemented depend on the circumstances that develop through 2011-12, including rainfall, water availability and operational feasibility of delivery. Details of environmental water use are published on the Commonwealth Environmental Water website at: [www.environment.gov.au/ewater](http://www.environment.gov.au/ewater).
3. The total water available for use in 2010-11 was 724 GL, including 34 GL of carryover from 2010-11 of which:
  - 387 GL was used delivered to environmental assets in 2010 11; and
  - 336 GL was carried over (of which 331 GL will be available for use in 2011-12)

Details of all water delivered in 2010-11 is provided in the Commonwealth environmental water annual report, which was tabled in the Parliament on 31 October 2011 and is available at: [www.environment.gov.au/about/publications/annual-report](http://www.environment.gov.au/about/publications/annual-report).

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4. The current estimate (at 14 October 2011) of Commonwealth environmental water entitlements held at the end of 2011-12 is 1,120-1,220 GL.

The current estimate (at 14 October 2011) of 2011-12 allocations against the Commonwealth environmental water holdings is 680-780 GL. The final result will depend on rainfall in 2011-12 and other factors.

5. As at 14 October 2011, Commonwealth environmental water had been delivered in 2011-12 under the following approved actions:

- 0.6 GL at the Gwydir Wetlands, NSW;
- 9 GL at the Macquarie Marshes, NSW;
- 4.9 GL at Merrimajeel Creek in the Lachlan catchment, NSW;
- 9.9 GL at Merrowie Creek in the Lachlan catchment, NSW;
- 3.7 GL at Muggabah Creek in the Lachlan catchment, NSW;
- 1.3 GL in the Loddon River, Victoria; and
- 2.5 GL in the Campaspe River, Victoria

These volumes will change significantly as the year progresses. Further details of environmental water use are published on the Commonwealth Environmental Water website at: [www.environment.gov.au/ewater](http://www.environment.gov.au/ewater).

6. As at 14 October 2011, a further volume of 46 GL has been approved for the actions outlined in Question 5. In addition, the following actions had been approved for 2011-12:

- up to 15 GL at North Redbank in the NSW Murrumbidgee catchment;
- up to 97 GL in the Goulburn River, Victoria; and
- up to 7.3 GL in the NSW Lachlan catchment

A range of further options for the delivery of water to environmental assets in 2011-12 have been identified. The actions that are implemented will depend on the circumstances that develop through 2011-12, including rainfall, water availability and operational issues. Details of environmental water use are published on the Commonwealth Environmental Water website at: [www.environment.gov.au/ewater](http://www.environment.gov.au/ewater).

7. The National Water Commission's report, "Framework for the Assessment of River and Wetland Health (FARWH): findings from the trials and options for uptake" will be used, for the purpose of Commonwealth Environmental Water, as input to:

- the assessment of the water needs of environmental assets;
- planning the use of environmental water; and
- monitoring of the effectiveness of environmental water delivered to environmental assets.

The Murray-Darling Basin Authority currently reports ecosystem condition through the Sustainable Rivers Audit program, which informed development of, and is entirely compatible with the FARWH. It is intended that ecosystem condition monitoring within the Basin Plan monitoring and evaluation program will also be consistent with the FARWH.

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WGD

**Question No:** 93

**Topic:** Commonwealth watering  
action in the Murrumbidgee  
Wetlands

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Joyce asked:**

1. I refer to the Minister's media release on the 10 June 2011 in which he stated that the Commonwealth would deliver 150 gegalitres to the Murrumbidgee wetlands. How much water per day were you planning to deliver in this event? How much water was delivered per day?
2. Was any additional, inadvertent flooding caused by the watering of the Murrumbidgee wetlands in June or July this year? If so what were the details of this flooding, why did this occur and what steps are you taking to prevent it from happening again?
3. Has the Commonwealth Environmental Water holder received any complaints over the past year in regards to its watering of wetlands in the Murrumbidgee catchment? If so what were the nature of these complaints?
4. Has any private land been flooded or been linked to the actions of the Commonwealth Environmental Water holder in the Murrumbidgee catchment over the past year?
5. Is the Commonwealth Environmental Water holder aware of any bridges being inundated over the past year during or associated with its watering program?

**Answer:**

1. Commonwealth environmental water (approximately 109 GL) was made available, along with 21 GL from NSW, 23 GL from the Living Murray and 8 GL donated, to an environmental watering action in the Murrumbidgee catchment. The watering action was planned to achieve an average daily flow of 15 GL over 10 days. An average daily flow of 13 GL was provided over 12 days.
2. Tenandra Bridge, a low-lying bridge west of Gundagai, was closed for a period of approximately two days. NSW State Water Corporation is responsible for managing flows and dam releases in the Murrumbidgee River. The intended peak flow of the event was exceeded at Gundagai and NSW State Water Corporation advises that this was due to a number of issues with the operation of Burrinjuck Dam which has since been rectified.
3. Two written complaints have been received. The complaints related to concerns about inundation adjacent the Murrumbidgee and Tumut Rivers, inundation of Tenandra Bridge and the effects of blackwater on fish.
4. The flows in the Murrumbidgee in June 2011 were well below minor flood levels. Some low lying wetlands areas on private land were inundated as intended as part of the watering action. Consultation with landholders occurs through the Murrumbidgee Environmental Water Advisory Group and NSW State Water. A floodplain landholder representative was an observer to the Technical Advisory Group which helped coordinate the release.
5. See response to Question 2.

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**Sustainability, Environment, Water, Population and Communities portfolio**

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**Program: Division or Agency:** 4.1: WGD **Question No:** 94

**Topic:** Commonwealth  
Environmental Water – flood  
events

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Joyce asked:**

1. Has the Commonwealth Environmental Water holder or any of the state bodies who undertake the watering on its behalf been made aware of flooding of any bridge associated with its watering activities?

**Answer:**

1. Yes. Tenandra Bridge, a low-lying bridge west of Gundagai, was closed for a period of approximately two days. NSW State Water Corporation is responsible for managing flows and dam releases in the Murrumbidgee River. The intended peak flow of the event was exceeded at Gundagai and NSW State Water Corporation advises that this was due to a number of issues with the operation of Burrinjuck Dam which have since been rectified.

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**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WGD

**Question No:** 95

**Topic:** Commonwealth watering  
action in the Gwydir wetlands

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Joyce asked:**

1. Has the Commonwealth Environmental Water holder received any complaints over the past year in regards to its watering of wetlands in the Gwydir catchment? If so what were the nature of these complaints?
2. Does the Commonwealth Environmental Water holder know of anyone who has linked watering in the Gwydir to the catchment of private wheat crops? If so what were the nature of these complaints? What is the status of these complaints, has any mediation been entered into?

**Answer:**

1. No.
2. We are not aware of any incident where Commonwealth environmental water has been associated with the inundation of private crops.

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**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WGD **Question No:** 96

**Topic:** Commonwealth  
Environmental Water Holder –  
legal liability

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Joyce asked:**

1. What is the Commonwealth's legal liability in relation to any flooding of private property in relation to its environmental watering activities? Does liability rest with the Commonwealth or with State governments?

**Answer:**

1. The assignment of legal liability for any adverse impacts that may result from the use of Commonwealth environmental water would depend on the circumstances of a particular case. To date, state agencies and river operators have been responsible for the physical release of Commonwealth environmental water to the intended environmental asset. These agencies have statutory obligations in relation to the delivery of water that apply regardless of whether the water is intended for consumptive or environmental use. The responsibility of the Commonwealth and the delivery partner, in each case, will depend on the relevant legislation and the terms of the agreement with the delivery partner.

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Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WGD **Question No:** 97

**Topic:** Commonwealth  
Environmental Water Holder -  
administration

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Joyce asked:**

1. How many staff does the Commonwealth Environmental Water holder employ at the moment?
2. How much does the Commonwealth Environmental Water holding cost? Please include all staffing, administrative and other costs associated with managing the Commonwealth's water.

**Answer:**

1. As at 13 October 2011, the Department of Sustainability, Environment, Water, Population and Communities employed 42 people to support the Commonwealth Environmental Water Holder.
2. The estimated total cost of managing the Commonwealth's water in 2011-12 is \$24.6 million, consisting of \$17.5 million from the Environmental Water Holdings Special Account for the purpose of managing the Commonwealth environmental water holdings and \$7.1 million from departmental funds for employing staff and other administrative expenses. Payments made from the Special Account comprise fixed and variable fees for water use (typically paid to infrastructure providers) and other costs including for delivery, and monitoring and evaluation.

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**Program: Division or Agency:** 4.1: WGD

**Question No:** 98

**Topic:** Adelaide Desalination Plant

**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 the milestones set out under the two relevant implementation plans. As currently scheduled the final payment is expected to be made on 31 December 2012.

The implementation plan for the Adelaide Desalination Project (50 gegalitres per annum plant) has experienced milestone payment delays as construction has been later than originally scheduled. As at 31 October 2011, no milestone payments have been delayed under the implementation plan for the augmentation of the Adelaide Desalination Plant (100 gegalitres per annum).

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

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**Program: Division or Agency:** 4.1: WGD

**Question No:** 99

**Topic:** Water program expenditure

**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. National Water Security Plan for Cities and Towns
- b. National Rainwater and Greywater Initiative
- c. Green Precincts Fund

**Answer:**

1. Projections are based on published budget estimates.

- a. National Water Security Plan for Cities and Towns

The figures below also include payments made through Department of Treasury:

| 2007-08<br>(\$'000) | 2008-09<br>(\$'000) | 2009-10<br>(\$'000) | 2010-11<br>(\$'000) | 2011-12 (\$'000)   |                    | 2012-13<br>(\$'000) | 2013-14<br>(\$'000) | 2014-15<br>(\$'000) |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
|                     |                     |                     |                     | 1 Jul to<br>31 Oct | 1 Nov to<br>30 Jun |                     |                     |                     |
| 10,000              | 13,041              | 13,659              | 17,240              | 12,114             | 156,836            | 19,713              | 3,034               | NIL                 |

- b. National Rainwater and Greywater Initiative

| 2007-08<br>(\$'000) | 2008-09<br>(\$'000) | 2009-10<br>(\$'000) | 2010-11<br>(\$'000) | 2011-12 (\$'000)   |                    | 2012-13<br>(\$'000) | 2013-14<br>(\$'000) | 2014-15<br>(\$'000) |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
|                     |                     |                     |                     | 1 Jul to<br>31 Oct | 1 Nov to<br>30 Jun |                     |                     |                     |
| NIL                 | 620                 | 4,661               | 2,315               | 226                | 307                | NIL                 | NIL                 | NIL                 |

- c. Green Precincts Fund

| 2007-08<br>(\$'000) | 2008-09<br>(\$'000) | 2009-10<br>(\$'000) | 2010-11<br>(\$'000) | 2011-12 (\$'000)   |                    | 2012-13<br>(\$'000) | 2013-14<br>(\$'000) | 2014-15<br>(\$'000) |
|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
|                     |                     |                     |                     | 1 Jul to<br>31 Oct | 1 Nov to<br>30 Jun |                     |                     |                     |
| NIL                 | 500                 | 5,097               | 5,188               | 568                | 1,959              | NIL                 | NIL                 | NIL                 |

**Senate Standing Committee on Environment and Communications  
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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WGD

**Question No:** 100

**Topic:** Commonwealth  
Environmental Water  
Holdings

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Joyce asked:**

1. For the Commonwealth's environmental water holdings, could you please list the amount of water allocated, the carryover water and the amount of water delivered for each of the years 2008-09, 2009-10, 2010-11 and 2011-12 (year to date)?

**Answer:**

1. These amounts are provided in the table below.

|                        | 2008-09 | 2009-10 | 2010-11 | 2011-12<br>(to 14 Oct 11) |
|------------------------|---------|---------|---------|---------------------------|
| Annual Allocation (GL) | 14      | 187     | 744     | 438                       |
| Carryover (GL)         | 0.3     | 34      | 336     | n/a                       |
| Water Delivered (GL)   | 13      | 154     | 387     | 32                        |

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Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WRD

**Question No:** 101

**Topic:** Water for the Future  
advertising campaign

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Birmingham asked:**

1. In reference to answer 84 from 2011 budget estimates in which the Department stated the \$8.5 million water for the future advertising campaign was a three phase advertising campaign, please outline those phases and breakdown costs. Please detail what, if any, future communications spending is to be undertaken on water policy matters.

**Answer:**

1. Only one phase of the Water for the Future advertising campaign was conducted. Advertising was undertaken between October and December 2010. For the remainder of that financial year there was a public affairs component. The breakdown of the costs for the Water for the Future campaign is:

| <b>Campaign activity*</b> | <b>Total</b>                   |
|---------------------------|--------------------------------|
| Formative research        | \$246,500                      |
| Creative pitch fee        | \$22,727                       |
| PR pitch fee              | \$12,726                       |
| Concept testing           | \$127,652                      |
| Tracking research         | \$70,000                       |
| Evaluation research       | \$70,000                       |
| Creative agency           | \$1,397,208                    |
| PR agency                 | \$150,000                      |
| Media buy                 | \$2,202,595                    |
| <b>Total</b>              | <b>\$4,299,408<sup>^</sup></b> |

<sup>^</sup> GST Exclusive

No further advertising phases are planned. Public affairs activities to support water policy matters are ongoing and involve stakeholder engagement such as meetings and briefings as well as the preparation of resources including fact sheets, publications, and web based material.

**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, October 2011

**Program: Division or Agency:** 4.1: WRD

**Question No:** 102

**Topic:** Water for the Future review

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Birmingham asked:**

1. Please provide an update on the Water for the Future program review.

**Answer:**

1. The review is currently in progress. When it is complete it will be considered through Australian Government processes.

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WRD

**Question No:** 103

**Topic:** Government response to  
Windsor Inquiry

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Birmingham asked:**

1. Will the Government be responding to the Windsor report?
2. When is such a response to be expected?
3. What involvement has the department had in preparing any response?

**Answer:**

- 1-3. The Government responded to the Windsor report on 24 November 2011.

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WRD **Question No:** 104

**Topic:** Snowy Water Inquiry  
Outcomes Implementation  
Deed

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Hanson-Young asked:**

1. Why have the releases outlined under the Schedule of Releases over the Snowy Montane Aqueducts not been made? 2010 Spring was a 'wet year' and so is 2011 Spring. Can the Department advise whether the Snowy Water Inquiry Outcomes Implementation Deed (SWIOID) is being observed properly and if not why not?

**Answer:**

1. Environmental release targets outlined in the Snowy Water Inquiry Outcomes Implementation Deed (SWIOID) are delivered by Snowy Hydro Limited, under the Snowy Water Licence at the direction of the New South Wales Office of Water. Releases into the upper Snowy River have not been made due to a combination of low allocations against the environmental entitlements secured under the SWIOID and the need for modification and construction of infrastructure works to make releases possible.

The Department of Sustainability, Environment, Water Population and Communities considers that the SWIOID is being observed properly.

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WRD

**Question No:** 105

**Topic:** Upper Snowy River

**Proof Hansard Page and Date** Written  
**or Written Question:**

**Senator Hanson-Young asked:**

1. Has the Minister or any of his parliamentary colleagues visited the Upper Snowy River and if not why not?

**Answer:**

1. Yes.

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1: WRD **Question No:** 106

**Topic:** Snowy River water release and flow

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Hanson-Young asked:**

1. This year the Snowy River below Jindabyne Dam wall will enjoy the biggest water release and flow in decades. Is it not possible to build connectivity into the Snowy River and its tributaries by enabling 'spills' over Guthega Dam Wall and Island Bend Dam wall and ensure that the scheduled releases over the Snowy aqueducts commence now. If not why not?

**Answer:**

1. The Department of Sustainability, Environment, Water, Population and Communities has been advised by Snowy Hydro Limited that spills over the Guthega and Island Bend Dams are already a regular occurrence. Each year, water spills over Island Bend Dam and all water stored in Guthega Dam is released into the Snowy River either in the form of spills or through the Guthega Power Station.

**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, October 2011

**Program: Division or Agency:** 4.1: WRD **Question No:** 107

**Topic:** Water for the Future review

**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 the Department mentioned that a high-level review of Water for the Future programs is occurring. Has this review completed?
2. What were its findings?
3. Have any changes occurred as the result of this review?

**Answer:**

1-3. The review is currently in progress. When it is complete it will be considered through Australian Government processes.

**Senate Standing Committee on Environment and Communications  
Legislation Committee**

Answers to questions on notice

**Sustainability, Environment, Water, Population and Communities portfolio**

Supplementary Budget Estimates, October 2011

**Program: Division or Agency:** 4.1 WRD **Question No:** 108

**Topic:** Future of the National Water  
Commission

**Proof Hansard Page and Date  
or Written Question:** Written

**Senator Birmingham asked:**

1. When will Dr David Rosalky's review of the NWC be finalised? Will his review be publicly released?
2. Considering the 30 June 2012 expiration of the current NWC function, when will COAG discuss the future of the NWC? Does the NWC expect it will have a role into the future? What contingencies are being developed should COAG not agree on the future role for the NWC?

**Answer:**

1-2. The Australian Government is expecting to receive Dr Rosalky's Review of the National Water Commission (NWC) before the end of 2011. The Review will be publicly released after it has been considered by the Council of Australian Governments (COAG). COAG scheduling is a matter for the Prime Minister.