Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 291

Output: 3.1

Division/Agency: Water Reform

Topic: Water – Commonwealth Powers

Hansard Page ECA: 129 (24/2/09)

Senator Nash asked:

Senator Wong—As was discussed I think in the context of the amendment that was then withdrawn, or the opposition's position changed in relation to mining, mining is regulated primarily at state level, and the purpose of the study was to provide further information, but ultimately the Commonwealth has a limited role in the regulation of mining.

Senator NASH—I do understand that. Finally—I am happy for you to take this notice, and I understand it is hypothetical—if the study goes ahead and it does indeed ascertain that there are risks involved to the water system and the local area, could you provide to the committee what Commonwealth powers do exist to ensure that that mining did not go ahead?

Senator Wong—First, mining is not my portfolio. Secondly, you are asking essentially for legal advice. That is not the role of—

. . .

Senator NASH—It is indeed. I am simply asking if the department could provide to the committee what powers the Commonwealth does have in that situation. It is a very straightforward question.

Senator Wong—In relation to mining?

Senator NASH—If a study did show that there were risks involved—it may well come back that you tell me that the Commonwealth has no powers. I am just merely asking for—

Senator Wong—We can take on notice insofar it is relevant to my portfolio—

Senator NASH—That is all I am asking.

Senator Wong—But not mining broadly.

Answer:

Environmental assessment and approval of mining is a State responsibility, regulated under State legislation.

In order to be accredited under the Basin Plan a State Water Resource Plan will need to regulate interception activities with a significant impact on a water resource. This includes interception by mining where it has a significant impact.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

In addition the Basin Plan may require these interception activities to be assessed to ensure they are consistent with the water resource plan before they are approved by a Basin State. This means that the Basin Plan may require a State to place conditions on the approval of activities such as mining to ensure they do not lead to unsustainable use of the water resources in the area.

The Basin Plan may also require Water Resource Plans to require that some interception activities that significantly impact on water resources hold entitlements for that water. This requirement could operate even in circumstances where a mine had been approved prior to the accredited Water Resource Plan taking effect.

In addition, the *Environment Protection and Biodiversity Conservation Act 1999* requirements will meed to complied with.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 293

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water purchasing **Hansard Page ECA:** 123-124 (24/2/09)

Senator Heffernan asked:

Senator HEFFERNAN—There are. Could you provide me, on notice if necessary, the date that the heads of agreement were announced for the purchase of the 250,000 megalitres of supplementary water from tender? I just need the date confirmed.

Senator Wong—Could we take that on notice?

. . .

Senator Wong—I think you and I had a discussion after this and this is a Living Murray purchase. My recollection is New South Wales was in fact the largest contributor. What do you want taken on notice?

Senator HEFFERNAN—I will tell you what I am after. The day before there was an announcement by Tandou about a heads of agreement, not an agreement. I want to know when the heads of agreement was signed because the day before the announcement was made, according to the *Business Spectator*, there was a transaction of shares in Tandou through a company whose address is as follows: Walker House, 87 Mary Street, Georgetown, Cayman KY19002 Cayman Islands. That was the day before the price doubled when they announced the heads of agreement to buy the water. That is why I want to know—and they will know why I want to know—the date of the heads of agreement.

Senator Wong—We will take that on notice.

Answer/s:

In-principle agreement was announced on 14 November 2008. On 2 December 2008 the contract between the New South Wales Department of Environment and Climate Change and Tandou Limited for the 250,000 megalitre supplementary water access licence was exchanged.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 294

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water Purchasing

Hansard Page ECA: 127 (24/2/09)

Senator Nash asked: First, I want to turn to the \$50 million buyback from last year. Could we just run through where that is at at the moment? If I just run through the different areas, could you give me an idea of the volume of the settled trades? I think last time we spoke it was around 23 gigalitres.

Senator Wong: I can give you the information. This is for February to May 2008. The settled purchases that I have been provided with total 24.3 gigalitres. The completion of a further 4.5 million purchases has been deferred until various issues currently impeding the approval and settlement of these trades can be overcome.

Senator Nash: Okay. I am interested in the issues, but I will put that on notice rather than go through it now.

Answer:

The issues currently impeding the approval and settlement of \$4.5 million worth of water entitlement trades relate to delays in settlement of four purchases. The first issue is that the Trangie-Nevertire scheme is not allowing trade out of the scheme. This is delaying the settlement of three trades from this region. Some of the members of the scheme have made a submission to the ACCC to have this issue investigated and a final decision is yet to be reached. The second issue is that a fourth seller's sale has been delayed because of the four per cent rule in Victoria. We expect this trade will be settled early in 2009-10.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 295

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water Purchasing

Hansard Page ECA: 127 (24/2/09)

Senator Nash asked:

Senator NASH—What is the total worth of the entitlements purchased? I am happy with a ballpark figure, and you can take a finalised figure on notice. I am happy to assist to do that, but I would like a rough ballpark figure.

Senator Wong—It is \$33.7 million. Can I say that with a caveat that we will take it on notice?

Answer:

Minister Wong provided the figure of \$33.7 million in answer to Senator Nash's question. The Department of the Environment, Water, Heritage and the Arts can confirm that the total worth of water entitlements purchased to date is now \$34,385,182.64 as at 19 March 2009. The increase is due to further purchases being settled.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 296

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: \$400 Menindee Lakes Project –

timeframe for works

Hansard Page ECA: 130 (24/02/09)

Senator Xenophon asked:

Mention was made by the Minister in her media release of 3 July that up to \$400 million could be spent on this project. Could I get some further details from you as to an approximate timetable, and how the money would be spent? Even in broad parameters, that would be very useful.

Dr Horne—I am happy to take that on notice to the extent that we can at the moment, bearing in mind that some of the major part of the work that we are doing at the moment is contingent on this next stage.

Senator XENOPHON—Even outlining the contingencies will be fine. Thank you.

Answer:

There are two key projects the Australian Government is currently undertaking in order to implement the \$400 million Menindee Lakes Project.

Darling River Water Savings Project - Part B Study

The Australian and NSW Governments are jointly funding the Darling River Water Savings Project (DRWSP) Part B feasibility study. Each Government has committed up to \$650,000 for the Project. The study is investigating options to improve the water supply and management of the Darling River system, and in particular will recommend a preferred water savings scheme to reduce evaporation at Menindee Lakes and provide options to secure Broken Hill's water supply.

The study commenced in November 2008 and is likely to be completed by November 2009.

Broken Hill Managed Aquifer Recharge Project

The Broken Hill Managed Aquifer Recharge (BHMAR) project has been developed to investigate the potential for groundwater extraction and managed aquifer recharge in the vicinity of Menindee Lakes to secure Broken Hill's water supply.

There are five phases planned for the project, with progression to Phases 3-5 dependent on the findings of Phase 2:

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Phase 1 - Risk assessment of AEM technology (\$471,619)

Geoscience Australia (GA) recently completed Phase 1 (February 2009), which involved onground investigations and a comprehensive risk assessment of airborne electro-magnetics technology options suitable for mapping the region's groundwater and aquifer systems.

Phase 2 - Data acquisition and Interpretation (up to \$16 million)

Phase 2 commenced in April 2009, and will be undertaken by GA. While Phase 2 is planned to be fully completed by September 2010, an Interim Report is scheduled to be provided by March 2010. The crucial element of Phase 2 is the airborne electro-magnetic (AEM) survey of the region, which is planned to be completed by December 2010.

Phase 3 - Detailed feasibility study

Geological and engineering assessment of the use of sustainable groundwater resources and an aquifer storage. Progression to the feasibility stage is dependent on the findings of Phase 2. Phase 3 has an expected timeframe of 12 months for completion, however, some aspects of Phase 3 may be conducted concurrently with Phase 2.

Phase 4 - Pilot trial

Implementation and test of a small scale groundwater extraction and Managed Aquifer Recharge storage option. While the estimated timeframe for completion is 12 months, an option exists to bypass a pilot trial and progress immediately to implementation based on Phase 3 findings.

Phase 5 - Implementation

Construction of a Managed Aquifer Recharge storage system. The estimated timeframe is 12-18 months for completion.

The Part B Study and the BHMAR Project will work concurrently. Formal communication channels already established through the DRWSP Part B Study Steering Committee will ensure that relevant information is shared between the projects. In particular, early results from the AEM survey will be made available for inclusion in the development of the Part B Study options, prior to recommendations being finalised in November 2009.

While a preferred option and recommendations for a way forward for major infrastructure investment will be determined by March 2010, the Australian Government will need to comply with NSW approval processes prior to infrastructure works commencing. These include an Environmental Impact Statement, obtaining planning approvals, community consultation and the development of detailed construction plans. Discussions have already commenced with NSW officials on minimising the approvals and construction period once a preferred option is chosen.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 1 Question No: 297

Output: 3

Division/Agency: Water Governance Division

Topic: Water Cap

Hansard Page ECA: 130 (24/2/09)

Senator Siewert asked:

Senator SIEWERT—In one minute, could you please provide me with the list of how many districts have now reached the four per cent cap, in Victoria in particular?

Ms Harwood—Of the irrigation districts in Victoria, the four per cent has been reached in 10.

Senator SIEWERT— Could you take on notice to tell me which are the 10 districts? **Ms Harwood**—Yes.

Senator SIEWERT—Also, do you have any data on the 10 per cent capping transfer disaggregation?

Ms Harwood—The 10 per cent has not been reached, but some are moving up above five, six and seven per cent.

Senator SIEWERT— Could you provide that list also?

Ms Harwood—Yes.

Answers:

As at 16 March 2009, the four per cent limit has been reached or is close to being reached in the following 10 irrigation districts in Victoria:

Table 1: Progress toward the four per cent limit in Victoria

District	Reliability Class
Campaspe Irrigation District	High
Central Goulburn Irrigation Area	High
Central Goulburn Irrigation Area	Low
Murray Valley Irrigation Area	High
Pyramid-Boort	High
Rochester Irrigation Area	High
Rochester Irrigation Area	Low
Shepparton Irrigation Area	High
Torrumbarry Irrigation Area	High
Torrumbarry Irrigation Area	Low

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

As at 16 March 2009, the following five areas are approximately or more than halfway towards reaching the 10 per cent limit on the amount of water shares in any water supply system that can be owned without being linked with land:

Table 2: Progress toward the 10 per cent limit in Victoria

Water System Sources	Reliability Class
Campaspe	High
Goulburn	High
Goulburn	Low
Murray	High
Murray	Low

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 298

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water – Infrastructure Projects

Hansard Page ECA: 130 (24/02/09)

Senator Birmingham asked:

Senator BIRMINGHAM—This is a little like speed dating tonight, Dr Horne. How many applications for infrastructure projects have reached the due diligence stage?

...

Ms Harwood—Due diligence is underway on the irrigation pipeline for South Australia. Work has started on the due diligence on the SunWater project in Queensland, which is an irrigation efficiency project there.

Senator BIRMINGHAM—Would you provide on notice details of those, but only one of those is an irrigation efficiency project, being the last one you mentioned; the others are about providing alternate pipeline systems.

Answer:

Please see the response to Question 334.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 299

Output: 3.2

Division/Agency: Water Governance Division

Topic: SA Desalination Plant

Hansard Page ECA: 130 (24/2/09)

Senator Birmingham asked:

Senator BIRMINGHAM—That is for the \$100 million that was an election promise for the 50 gig plant. When was that proposal received, roughly—months ago? **Mr Robinson**—Within the last few months. I can take on notice precisely when. **Senator BIRMINGHAM**—Okay.

Answer:

22 December 2008.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 302

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water buybacks

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. How many, in terms of value and numbers, tender acceptances in the \$50m purchasing round failed due diligence?
- 2. How many, in terms of both value and numbers, of these were from Victoria?
- 3. Of those from Victoria that were not completed, what was the reason?
- 4. How many, in terms of both value and numbers, of the Victorian tenders that were unable to be completed were because of the 4% cap being reached?

- 1. Four tender acceptances failed due diligence in the \$50 million purchasing round. These totalled \$1,680,300 in value and 720 ML in volume.
- 2. Three of the tender acceptances that failed due diligence were from Victoria. These totaled \$657,900 in value and 294 ML in volume.
- 3. Reasons for tender acceptances not being completed in Victoria include failing due diligence and withdrawing for various reasons such as a failed application to divide and transfer the water share.
- 4. Two Victorian applications from 2007-08 purchase round were not settled due to the 4% cap being reached.
 - One applicant withdrew when their application to divide and transfer their water share in the Campaspe was rejected by the registration authority in Victoria. They did not wish to wait until the next year to apply to divide and transfer their water share. This offer was valued at \$720,000 for 300 ML.
 - One applicant in the Goulburn was also rejected by the registration authority in Victoria when they applied to divide and transfer their water share. They are waiting to reapply in 2009-10. Their application is valued at \$660,000 for 300 ML.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 305

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water - Tandou

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. How much of the \$34 million paid to Tandou for 250 GL of water came from the Federal Government and how much from the NSW Government?
- 2. How was the purchase price of Tandou determined?
- 3. How much was Tandou's water valued at before the sale?
- 4. Please outline the steps in the process of the sale?
- 5. Was the purchase deemed to be value for money and why?

- 1. Of the \$34 million paid to Tandou for the 250 GL of supplementary water entitlements, the Australian Government (including through the Murray Darling Basin Authority) paid \$11.8 million and the New South Wales Government paid \$18.9 million. New South Wales divided this purchase into two parcels under The Living Murray: a stand alone measure comprising 100 GL, in which New South Wales was the sole investor; and 150 GL through the broader New South Wales Market Purchase Measure in which the investors were New South Wales, Victoria and the Australian Government.
- 2. The New South Wales Department of Environment and Climate Change submitted an application for listing the Tandou Limited Supplementary Water Access Licence on *The Living Murray* Eligible Measures Register. Within the application, a price range was listed which reflected that it was non-callable water and was consistent with the Murray Irrigation Limited supplementary access purchase measure, which was also funded under *The Living Murray*. The actual purchase price was negotiated by the NSW Department of Environment and Climate Change within the approved price range.
- 3. The Australian Government does not have direct knowledge of this information. However, we are aware that the New South Wales Department of Environment and Climate Change was asked by the Parliament of New South Wales on 8 January 2009 why the value of Tandou's total water allocations in 2007 was \$33,571,000 (prior to the sale). The response was: "supplementary access licences have little history of trade. Since there was no previous history of trade in the Lower Darling, the

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

valuation primarily reflects the value only of Tandou's regulated high and general security licences".

- 4. As the sale was negotiated between the New South Wales Government and Tandou Limited, the question should be referred to the New South Wales Government.
- 5. The primary criteria for listing a project on the eligible measures register under The Living Murray are: the degree to which the characteristics of the recovered water will fulfil the requirements of the Basin Environmental Watering Plan and the cost effectiveness of the proposed measure.

There was comprehensive consideration of this project by the Water Recovery Working Group (comprised of officials from the respective jurisdictions), an independent reviewer, The Living Murray Committee, the Murray-Darling Basin Commission and the Murray-Darling Basin Ministerial Council to ensure that the project represented value for money.

This purchase represents the total entitlement to Supplementary Water in the Lower Darling system. The entitlement will deliver water to wetlands when they need it the most, that is, when they naturally would have been flooded prior to this water being extracted for irrigation. It will lower diversions in the Lower Darling River by a substantial amount and address a key objective of the National Water Initiative, which is to help return over allocated systems to environmentally sustainable levels of extraction.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 306

Output: 3.2

Division/Agency: Water Efficiency Division

Topic: Water Infrastructure

Hansard Page ECITA: Written Question on Notice

Senator Nash asked:

Please outline all water infrastructure programs which have commenced or are to be commenced, the amount of funding associated with each program and, if the program has commenced, the amount of funding already spent. Also outline the type of project the money was been spent against.

Answer:

The Government's ten year water policy framework 'Water for the Future' commenced in 2007-08 and includes a number of infrastructure related programs. Attachment A provides the requested details for water infrastructure programs, funding and spending as at 23 March 2009.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

ATTACHMENT A

Water for the Future – water infrastructure programs, funding, and spending

Water for the Future – water infrastructure programs, funding, and spending Expenditure from 2007-08 to 23 March 2009				
Program	Funding	\$ million	Type of project	
Sustainable Rural Water Use and Infrastructure	\$5.8 billion over 10 years from 2007-08.	125	Harvey Water (\$35 million), Wimmerra-Mallee (\$78 million) Tasmania Irrigation Efficiency (\$1.7 million), SA Water Security Pipelines (\$1.6 million), due diligence and investigations (\$8.7 million).	
National Water Security Plan for Cities and Towns	\$261 million over 6 years from 2007-08.	11	Rockhampton to Gladstone Pipeline (\$10 million), McLaren Vale Water Reuse (\$0.3 million), Windy Hill (\$0.4 million).	
National Urban Water and Desalination Plan	\$1 billion over 6 years from 2008-09 (includes provision for tax offset).	6	Glenelg Adelaide Parklands recycled water project.	
Water Smart Australia	\$969 million over 4 years from 2007-2008 (in addition to \$556 million prior to 2007-08). (Note: program funding is primarily, but not exclusively for infrastructure projects)	464	A range of state and local level governments water projects, including water harvesting, irrigation enhancement, reticulation, recycling, and supply upgradings.	
The Living Murray Initiative	The infrastructure element of this program is \$25 million.	13	Shepparton irrigation area modernisation.	
Modernisation and extension of Hydrologic Monitoring Systems in Australia	\$80 million over 5 years from 2007-08 (managed by Bureau of Meteorology).	8	Investment in water monitoring water data management, and capacity to transfer water data to the internet.	

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 307

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water - Water for the Future program

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

How many ML of <u>surface water</u> allocations have been purchased in the following states since the inception of the \$12.9 Water for the Future program?

- a. NSW
- b. VIC
- c. QLD
- d. SA

Answer:

None. The Australian Government is purchasing water entitlements, not allocations, under the Restoring the Balance in the Murray-Darling Basin program (RtB). Purchasing temporary water allocations is outside the guidelines approved for the RtB program, because it will not achieve the objective of the program which is to secure enduring improvements in river health by reducing the consumptive use of water and increasing the water available for the environment.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 308

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water - Water for the Future program

Hansard Page ECA: Written Question on Notice

Senator NASH asked:

How many ML of ground water allocations have been purchased in the following states since the inception of the \$12.9 Water for the Future program?

- a. NSW
- b. VIC
- c. QLD
- d. SA

Answer:

None. The Australian Government is purchasing water entitlements, not allocations, under the Restoring the Balance in the Murray-Darling Basin program (RtB). No groundwater entitlements have been purchased under the RtB program, although they would be considered if they represented good value for money and could reliably provide water directly to a significant environmental asset in the long term. It is anticipated that there are very few groundwater entitlements that would meet all of the environmental criteria to be considered acceptable for purchase under the RtB program.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 309

Output: 3.1

Division/Agency: Water Reform Division

Topic: Water- Groundwater

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. Is the Department aware that water sustainability studies have already been conducted in NSW?
- 2. Is the Department aware that as a result of the NSW studies the CSIRO key findings in relation to predictions that groundwater usage in NSW will double by 2030 is thought to be incorrect by some parts of the industry?
- 3. Did members of the CSIRO conducting this report discuss NSW water sharing plans and groundwater management with NSW industry groups to determine if their findings were correct?
- 4. Is the Department and the CSIRO aware that groundwater management areas in NSW that do not have a Water Sharing Plan have an embargo on any further groundwater development, including the granting of new groundwater entitlements?
- 5. Could the Department please comment on what will be the impact of these embargoes and water sharing plans already in existence in NSW will have in relation to the CSIRO report findings?
- 6. Will this inaccuracy be rectified? Or will this study form the basis of government policy?
- 7. Has the Department evaluated the effectiveness of NSW groundwater management when looking at policy proposals for groundwater management?
- 8. Have water sustainability studies been conducted in states other than NSW? If so provide details.

- 1. Yes.
- 2. Yes.
- 3. No.
- 4. Yes.
- 5. The CSIRO assessments were based on the state water management policies in place at the time of the project (i.e. before the announcement of the embargo on further groundwater development announced on 1 July 2008 by the New South Wales Government).
- 6. The CSIRO Reports are finished. The Murray-Darling Basin Authority is expected to draw on the CSIRO Reports and make use of other sources in developing the Basin Plan.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

- 7. The National Water Commission is currently undertaking its second biennial assessment of State progress under the National Water Initiative commitments, which involves evaluating the effectiveness of reforms in groundwater management.
- 8. Yes. The CSIRO Murray-Darling Basin Sustainable Yields study covered the entire Murray-Darling Basin region, including catchments in New South Wales, Queensland, Victoria and South Australia. Results of these studies are publicly available from the CSIRO website. CSIRO is also undertaking Sustainable Yields studies in Northern Australia, south-west Western Australia and Tasmania in partnership with state water agencies.

The Australian Government is aware that State Governments are managing a range of studies to assist with implementing water reform at a State or regional level. For example, Victoria is in the process of preparing regional Sustainable Water Strategies and various background studies have been undertaken as a part of this project.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 310

Output: 3.1

Division/Agency: Water Reform Division

Topic: Water - Namoi catchment

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. Will funding still be provided to the proposed Namoi Catchment Water Study if the NSW State Government fails to commit a matching contribution? If so, where will this funding come from?
- 2. What measures have been taken to prevent any new subsurface mining licences being issued in the Namoi Catchment until the completion and public release of the proposed water study?
- 3. If the study identifies any risks that mining could have on underground and surface water resources of the Namoi catchment and any highly productive agricultural land, what measures will be put in place to prevent this mining?

- 1. As the Minister announced on 2 December 2008, the Australian Government is prepared to contribute up to \$1.5 million towards a study into surface and groundwater resources in the Namoi region, subject to matching funding from the NSW Government and the mining industry.
- 2. The NSW Government is responsible for regulating mining activities in the Namoi catchment.
- 3. The NSW Government is responsible for regulating mining activities in the Namoi catchment. In relation to what Commonwealth powers do exist to prevent mining, please refer to Question on Notice 291 'Water Commonwealth Powers'.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 311

Output: 3.1

Division/Agency: Water Reform Division

Topic: Water – Namoi catchment –

Compensation

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. Could the Department please provide an estimate of direct and indirect costs to Australian consumers resulting from lost food and fibre production due to the destruction of the highly productive land and water quality throughout the Namoi catchment and the greater Murray Darling Basin by the coal mines proposed for the Namoi Valley by the NSW government, BHP, China Coal and others?
- 2. What compensation will be available to all water users (irrigation, livestock, industry, domestic and urban water supplies) who incur remediation costs due to the contamination of water or water loss as the result of mining in the Namoi Valley
- 3. What compensation will be available to landholders in the Namoi Valley whose land incurs monetary or productive devaluation through mining whether as a result of mining on that property or within the proximity? To what extent will this offset the estimated direct and indirect costs of reduced production and income caused by the destruction of productive land throughout the Namoi Valley?

- 1. No such costs have been estimated by the Department.
- 2. Any issues of compensation arising from any impacts on third parties as a result of mining in the Namoi Valley is a matter for the NSW Government.
- 3. Any issues of compensation arising from any impacts on third parties as a result of mining in the Namoi Valley is a matter for the NSW Government.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 312

Output: 3.1

Division/Agency: Water Reform Division

Topic: Water – Namoi catchment - costs

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. What is the total estimated value of the reduction in value of private and public lands throughout the Namoi catchment and the greater Murray Darling Basin resulting from the destruction of the productive value of land and damage to the water supply and quality caused by the coal mines proposed for the Namoi Valley by the NSW government, BHP, China Coal and others?
- 2. What is the estimated total direct and indirect cost to Australian taxpayers of the destruction of communities and social economic infrastructure as a result of the loss for all time of food and fibre production caused by the damage to the productive value of land and water supply and quality by the coal mines proposed for the Namoi catchment and the greater Murray Darling Basin?
- 3. What is the Government's forward estimate, expressed in present value, of the total value of all Australian taxes and other imposts to be paid by BHP, China Coal and others who would operate the coal mines proposed for the Namoi Valley by the NSW government, BHP, China Coal and others?

Answers:

1-3. The Department does not hold this information. The NSW Government is responsible for regulating mining activities in the Namoi catchment.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 313

Output: 3.1

Division/Agency: Water Reform Division

Topic: Water – Namoi catchment - Costs

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. What is the estimated cost to Australian taxpayers of all public infrastructure, present and future, to be used by the coal mines proposed for the Namoi Valley by the NSW government, BHP, China Coal and others?
- 2. What is the estimated total direct and indirect cost to Australian taxpayers of the irremediable damage which would be caused to all environmental values including but not limited to the productive value of land, water supply and quality and biodiversity generally throughout the Namoi catchment and the greater Murray Darling Basin by the coal mines proposed for the Namoi Valley?
- 3. What is the estimated value of all direct and indirect subsidisation to be paid by Australian taxpayers to BHP, China Coal and others who would operate the coal mines proposed for the Namoi Valley by the NSW government, BHP, China Coal and others?

Answers:

1-3. The regulation of mining in New South Wales is a matter for the state government.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 315

Output: 3.2

Division/Agency: Water Governance Division

Topic: Water - infrastructure

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

Will Federal funding be provided for the following projects? If not why not?

- the Chaffey Dam Augmentation project; and
- the Peel River Water Sharing Plan?

Answers:

The Australian Government contribution of \$6.545 million from the Water Smart Australia program for the Chaffey Dam augmentation project is contingent on the NSW Government meeting conditions announced on 3 September 2007.

The conditions for funding are that the Chaffey Dam augmentation project be:

- consistent with the completed Peel River Water Sharing Plan that will establish long term sustainable extraction limits commensurate with the Murray-Darling Basin cap;
- compliant with the environmental protection legislation; and
- compliant with the objectives of the National Water Initiative.

Preparation of the Peel River Water Sharing Plan is funded by the NSW Government.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 316

Output: 3.1

Division/Agency: Water Reform Division

Topic: Water - Meetings

Hansard Page ECA: Written Questions on Notice

Senator Nash asked:

Has the Department or the Minister ever officially met with delegates from Groundwater Pumpers Associations across:

- NSW
- VIC
- QLD
- SA?

Answer:

The Minister has not met with any individuals that have identified themselves as being delegates of Groundwater Pumpers Associations in the four jurisdictions mentioned.

On 3 December 2008, the Department held regional briefings at Griffith and Shepparton on the CSIRO Sustainable Yields Project. Various stakeholders were represented including the Murrumbidgee Groundwater Preservation Association and the Murrumbidgee Groundwater Inc. Whilst Groundwater Pumpers' Association members may have been present, they were not there in any official capacity, nor did they identify themselves specifically as Groundwater Pumpers' Association members.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Supplementary Budget Estimates, October 2008

Outcome: 3 Question No: 317

Output: 3.1

Division/Agency: Water Reform Division

Topic: Water Consultation

Hansard Page ECITA: Written Question on Notice

Senator Nash asked:

- 1. Does the Department keep a priority list of industry groups to consult with?
- 2. How often are these industry groups contacted?
- 3. How often does the Minister meet with these groups?

- 1. Yes.
- 2-3. Industry groups are contacted as required, or in some cases on a regular basis. There is no predetermined frequency for such meetings. In some instances this contact is regular and ongoing.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 318

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water – Water for the Future

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

What are the reasons for the Water for the Future Plan (WFTFP) casting its priority towards water buybacks across the MDB, when until there is a major rainfall event across the Basin the entitlements only hold paper value?

Answer:

Although entitlement purchases are likely to yield little water for the environment in the short-term while allocations remain low (as they do for other entitlement holders), in the long-term purchase of entitlements will fulfill the program's core objective of rebalancing of the system to increase both the proportion and volume of water available to the environment. Unless there is a zero allocation, entitlements purchased in the Basin will yield water allocation for the environment in any year.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 319

Output: 3.1

Division/Agency: Water Governance Division

Topic: Water - Victoria

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. Does the government accept that the current approach by Victoria in applying an overall limit of 10% to permanent trade out of irrigation areas and accounting for the separation of land and water within Victorian irrigation areas as part of both the annual 4% and overall 10% limit as contrary to Commonwealth policy and a market distortion?
- 2. Will the Commonwealth enforce the March 2008 COAG agreement with Victoria? As this cannot be enforced by law, will the Commonwealth seek alternative means including withholding payments under the \$1 billion Foodbowl initiative?

- 1. The Victorian Government is reviewing the ten per cent limit. The four per cent limit is the subject of COAG consideration (see below).
- 2. In July 2008, COAG stated its ambition to increase the four per cent limit to six per cent by the end of 2009, provided related reforms occurred. In October 2008, COAG agreed to review progress, including related reforms, in early 2009. The Government has indicated that it will continue to pursue lifting the four per cent limit and the application of the limit on a consistent basis as soon as possible.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 320

Output: 3.1

Division/Agency: Water Governance Division

Topic: Water – Irrigation

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

Is it true that although the water market rules apply across all states they do not apply to government-owned entities or smaller entities such as joint water supplies and trusts? If so what assurances can the government provide to irrigators within private irrigation corporations that they can operate on a level-playing field?

Answer:

The water market rules apply across the Murray-Darling Basin to all irrigation infrastructure operators, as defined in the *Water Act 2007* (the Act), having a 'group' water entitlement held on behalf of member irrigators. 'Group' arrangements are more prevalent in NSW and South Australia.

Structures which are likely to meet the definition of irrigation infrastructure operator and have a "group" water entitlement include corporations (private or government), cooperatives, private irrigation districts and private water trusts. Arrangements such as syndicates and joint water supply schemes may not be covered by the water market rules but this would need to be assessed on a case-by-case basis.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 321

Output: 3.1

Division/Agency: Water Governance Division

Topic: Water – Efficiency

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

If the ACCC believe that higher termination fees are largely a function of lower infrastructure efficiency and a disincentive to trade, why do the proposed rules only offer a period of time for adjustment and do not provide for 'competitive neutrality' where less efficient operators are encouraged to improve efficiency while more efficient operators are not unfairly treated?

Answer:

The termination fee rules aim to facilitate water trade and efficient investment in water service infrastructure by providing a uniform approach across the Basin to setting termination fees. The rules aim to strike a reasonable balance between providing investment certainty for operators and flexibility for irrigators. The rules also permit operators to apply to the Australian Competition and Consumer Commission for approval of contracts containing higher termination fees than the proposed cap.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 322

Output: 3.1

Division/Agency: Water Efficiency Division **Topic:** Water – Stimulus package **Hansard Page ECA:** Written Question on Notice

Senator Nash asked:

- 1. In relation to the \$900 million secured by Senator Nick Xenophon in the recent Stimulus Package for the MDB, who were the relevant stakeholder groups in QLD, NSW and VIC that were consulted about the impact of this funding before the legislation was passed in Parliament?
- 2. Professor Grafton of ANU has admitted that the accelerated buyback will have an impact on water prices. What assessment has the Department undertaken of the impact of bringing forward \$500 million expenditure, initially committed for purchasing water after 2012?
- 3. With Victoria the only state with water trading barriers (10%), and South Australian irrigators having little water to trade due to their location at the end of the MDB System, it would seem that the accelerated buybacks (\$500 million) will occur in NSW and QLD. Has or does the Department plan on doing any analysis of the impact of this?
- 4. Why wasn't the removal of trade barriers in VIC considered when proposed major changes to the Stimulus Package (ie the bringing forward of \$500 million for water buybacks) were put to Senator Xenophon?

- 1. No stakeholder groups were consulted.
- 2. The Department of the Environment, Water, Heritage and the Arts has commissioned the Australian Bureau of Agricultural and Resource Economics to research the potential impacts of the Australian Government's *Restoring the Balance in the Murray-Darling Basin* water entitlement purchasing program on water markets (including water prices), regional communities and economies. This study is based on funding levels published in Budget forward estimates and will be updated to include the movement of existing annual estimates, within the context of the Budget process.
- 3. The Department of the Environment, Water, Heritage and the Arts will continue to seek offers to sell water entitlements from willing sellers in the Basin. The Department does not focus its water purchasing activity in any location.
- 4. In July 2008, COAG stated its ambition to increase the four per cent limit to six per cent by the end of 2009, provided related reforms occurred. The Government has indicated that it will continue to actively pursue lifting the four per cent limit and the application of the limit on a consistent basis as soon as possible.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 323

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water – Food Security

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. Given the current water buy back program what research or policy development has the department undertaken to ensure the buy back scheme will not impact on Australia's food security?
- 2. Given that Australia has a responsibility to contribute to world food security has there been any thought given to the possibility that export or direct food aid programs may have to be reduced because of the water buy back program?
- 3. Increasingly food is becoming more expensive and in some countries production is falling. In many respects shouldn't we be developing a water policy that increases sustainable food production rather than establishing trading systems and buy backs?

- The Department has commissioned the Australian Bureau of Agricultural and Resource Economics to conduct research into the potential impacts of the Australian Government's water entitlement purchasing program on the water market, and regional economies and communities. This includes modelling the potential impacts of the program on irrigated agricultural output.
 - The Australian Government is also investing \$5.8 billion in more efficient irrigation through the Sustainable Rural Water Use and Infrastructure program, helping farming communities to remain productive and deal with less water being available as a result of climate change. This is an investment in the capacity of farming communities to continue to produce food and protect our future food security.
- 2. The Department does not anticipate that the water entitlement purchasing program will have any impact on Australia's food aid programs.
- 3. A fundamental objective of the Australian Government's key water initiative, the Water for the Future plan, is to help irrigation communities adjust to a future where less water is available as a result of climate change.
 - The Water for the Future plan includes a \$5.8 billion investment in more efficient irrigation to underpin a productive and sustainable irrigation sector. The \$3.1 billion water entitlement purchasing program will assist irrigators by providing an additional selling option, increasing their flexibility to adapt production decisions to changing market and climatic conditions. The water buyback can also provide a major capital injection for

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

irrigation businesses, providing the opportunity to invest in improved irrigation and production systems.

Water trading helps allocate water more effectively between competing uses and contributes to higher farm profits. Reducing barriers to water trading helps irrigators by allowing them to buy additional water where market conditions and prices make this more profitable than existing production patterns, and conversely to sell water where market conditions make selling water and switching to non-irrigated production more profitable.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 324

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water – Food Security

Hansard Page ECA: Written Question on Notice

Senator Nash asked:

- 1. A report prepared by the Public Health Association of Australia (A Future for Food: Addressing public health, Sustainability and Equity from Paddock to Plate Feb 2009) suggests that reduced water is one contribution to food becoming scarcer. Isn't the buy back scheme essentially reducing water to growers and therefore reducing food production?
- 2. In a report written by the World Bank 2008 (Agriculture for Development) it was raised that even with water scarcity and rising costs of large irrigation schemes there were many opportunities to enhance productivity by revamping existing schemes and expanding smaller schemes. Isn't the water buy back scheme basically moving away from world opinion?
- 3. Most of the current literature on food security seems to highlight the importance of empowering many smaller farmers as a means to ensuring supply. Yet the water buy back scheme seems to be centralising production into the hands of a few. Would you agree with this?

Answers:

1. Water for the Future assists Australia's irrigation communities to adjust to increased water scarcity and the need for greater water use efficiency. These priorities are highlighted in the Public Health Association of Australia's report.

Purchasing water entitlements is important to redress the problem of over-use of water for extractive purposes in the Murray-Darling Basin. Water purchasing is part of an integrated approach to water reform across the Murray-Darling Basin, which includes investing \$5.8 billion to improve irrigation efficiency and yield water savings that will be shared with irrigators.

Purchasing water from willing sellers at prevailing market prices enables all investors equal access to entitlements and enables water to be delivered to its highest value use.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

2. The World Bank's 'Agriculture for Development' report also highlights concerns in many countries about increased water scarcity resulting from climate change and notes that "water management strategies in irrigated areas must improve water productivity, meeting demands of all users (including the environment)".

The Water for the Future plan is tailored to meet the unique circumstances of Australia as a water scarce, significant food producing nation. The plan provides \$5.8 billion through the Sustainable Rural Water Use and Infrastructure program to improve irrigation efficiency, thereby ensuring a productive and sustainable irrigation sector. The plan also includes a \$3.1 billion water entitlement purchasing program, the Restoring the Balance in the Murray-Darling Basin program, which aims to meet critical environmental needs in the Murray-Darling Basin.

3. No. Water entitlements are purchased from willing sellers at prevailing market prices, which includes irrigators of all sizes.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 325

Output: 3.1

Division/Agency:Water Efficiency DivisionTopic:Murray-Darling Basin VisitsHansard Page ECA:Written Question on Notice

Senator Birmingham asked:

What irrigation communities or environmental sites within the Murray-Darling Basin has Minister Wong visited since the October estimates?

Answer:

Since October 2008, Minister Wong has visited the following irrigation communities and environmental sites within the Murray-Darling Basin:

DATE	LOCATION	STAKEHOLDERS
7 November	Tailem Bend, South	- Premier of SA
2008	Australia	- Minister for the Water Security (SA)
		- Lower Lakes community representatives
18 February	Tailem Bend, South	- Premier of SA
2009	Australia	- Minister for the Water Security (SA)
		- Lower Lakes community representatives
2 March 2009	Goondiwindi, Queensland	- Border Rivers Food and Fibre
21/10/10/11 2009	(Including visit to local	- NSW Irrigators Council
	cotton property)	- QLD Farmers Federation
	property,	- Goondiwindi Regional Council
	&	- Cotton Australia
		- Cotton RDC
	Moree, New South Wales	- State Water
		- Border Rivers-Gwydir CMA
		- Gwydir Valley Irrigators Association
		- Namoi Water
		- Local Irrigators
3 March 2009	Dubbo, NSW	- Dubbo City Council
		- Central West CMA
	&	- Macquarie Food and Fibre
		- Macquarie Cotton Growers Association
	Trangie, NSW	- Trangie Nevertire Irrigation Scheme

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

	(Including visit to Agricultural Research Centre and local irrigation property)	- Macquarie Marshes Landholders Association - Inland Rivers Network
4 March 2009	Bourke, NSW	- Bourke Shire Council
	(Including visit to Toorale	- Brewarrina Shire Council
	Station)	- Paroo Shire Council
		- Local Irrigators and Graziers
	&	- Western CMA
		- NSW DECC
	Broken Hill, NSW	- Broken Hill City Council
		- Darling River Water Savings Project Steering
		Committee
		- Central Darling Shire Council
		- Country Water
		- Menindee and Lower Darling Cotton
		Growers' Association
		- Australian Floodplain Association
		- Darling River Action Group

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 327

Output: 3.1

Division/Agency: Water Governance Division

Topic: Rainwater tanks for live-saving clubs

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

1. Has the Government managed to deliver any of the promised grants of \$10,000 to 300 surf clubs for water saving efforts?

2. How, many, where, when were they actually installed? Please provide full details of expenditure.

Answers:

1-2. On 1 October 2008 the Government invited applications from surf life saving clubs for grants of up to \$10,000 to install rainwater tanks and other water efficient and water saving devices. The first applications were received in February 2009, and these are currently being processed.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 328

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water buybacks

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

With reference to the Government's announcement that it will provide \$61.6 million to buy out small block irrigators in the Murray-Darling Basin;

- 1. Given this is a water buy-back, why is the project being funded from the Sustainable Rural Water Use and Infrastructure program?
- 2. Please provide full details of the funding allocations
- 3. What other water buy backs or licence purchases are being funded from the \$5.8 billion fund that had been intended for water infrastructure?
- 4. Please provide details of the take up of the program.

- 1. While the package is expected to result in the transfer of water entitlements to the Commonwealth for use in protecting Murray-Darling Basin rivers and wetlands, the package should not just be seen as a way of purchasing water, but also as a program directed towards helping struggling farm families to exit irrigation with dignity and stay in their local communities.
- 2. As of 13 March 2009, \$57.1 million has been allocated to the Small Block Irrigators Exit Grant Package from the \$5.8 billion allocated to the Sustainable Rural Water Use and Infrastructure program. An eligibility requirement of the package is the sale of all of the irrigator's water entitlements to the Commonwealth. These purchases are funded from the \$3.1 billion allocated to the Restoring the Balance in the Murray-Darling Basin program.
- 3. No water buybacks or licence purchase has been funded from the Sustainable Rural Water Use and Infrastructure program.
- 4. As of 13 March 2009, Centrelink had registered 595 expressions of interest in the Small Block Irrigators Exit Grant Package. 133 of these irrigators have lodged an application for the package. 47 of the irrigators have been advised they will be eligible to receive an exit grant following the sale of their water to the Commonwealth and the removal of their permanent plantings and infrastructure.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 329

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water buy-backs

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

- 1. How much has the Government actually spent in finalised water buy-backs?
- 2. Please outline the size of entitlements purchased this year and, in each case, detail the size of the allocation against those entitlements.
- 3. Similarly, please outline the size of entitlements purchased last year and, in each case, detail the size of the allocation against those entitlements.

- 1. As a result of the water purchase tenders conducted from February to May 2008, the Commonwealth as at 4 March 2009 has settled purchases for more than 24.3 billion litres of entitlements worth \$34.4 million. Of this, approximately 24 billion litres has been registered by state agencies.
- 2. Although a substantial number of purchases are being pursued under the 2008-09 tender rounds, no transactions have been finalised to date.
- 3. Please refer to the following table for information on the entitlements purchased in 2008 and the size of the allocation against those entitlements:

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

River system Security		Settled entitlements at 17 Mar 09 (ML)	Registered entitlements at 17 Mar 09 (ML) 1	Allocations at 17 Mar 09 (ML) ^{1,2}
NEW SOUTH WALES				
Gwydir	High	-	-	-
	General	2,916.0	2.916.0	-
Lachlan	High	300.0	300.0	30.0
	General	7,214.0	7,214.0	1
Macquarie/Cudgegong	High	-	-	-
	General	884.0	884.0	78.4
Murray	High	-	-	-
	General ¹	5185.0	5,185.0	337.2
Total NSW	High	300.0	300.0	30.0
	General	16,199.0	16,199.0	415.5
VICTORIA				
Campaspe	High	635.0	335.0	-
	Low	-	-	-
Goulburn	High	650.0	650.0	190.0
	Low	369.6	369.6	-
Murray	High	5,304.0	5,304.0	1,593.5
	Low	353.1	353.1	-
Ovens	High	50.0	50.0	-
Total Victoria	High	6,639.0	6,339.0	1,783.5
	Low	722.7	722.7	0.0
SOUTH AUSTRALIA				
Murray	High	426.5	426.5	76.8
Total SA	High	426.5	426.5	76.8
TOTAL	_			
- High Security	High	7,365.5	7,065.5	1,890.3
- General/Low Security	Gen/Low	16,921.7	16,921.7	415.5
GRAND TOTAL	High/Gen/Low	24,287.2	23,987.2	2,305.8

Notes:

- Formal transfer of ownership to the Commonwealth takes place on registration and become part of the Commonwealth
 environmental water holdings at that time.
- 2. Allocations listed in the table above are those that have been credited to entitlements that have been registered. Allocations are generally credited progressively during the year. In NSW and Victoria, allocations credited to entitlements prior to registration of the transfer of ownership belong to the seller. Allocations credited to the entitlement following registration of the transfer of ownership belong to the buyer. In South Australia all the allocations credited in a given year must be transferred to the buyer on registration of the entitlement including those credited before settlement and/or registration.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 330

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water buybacks

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

- 1. Consequently, how many gigalitres of actual water savings (allocations against entitlements purchased) are taxpayers receiving per million dollars spent?
- 2. Please provide a full list of settled purchases, with relevant dates, volumes, dollars and figures on both water entitlements and saved allocations against the entitlements.

- 1. Taxpayer funds have not been used to purchase allocations, rather, they have been used to purchase permanent entitlements which will accrue allocations indefinitely. The average price per megalitre of permanent entitlement on purchases settled between 20 June and 17 December 2008 was \$1,416.
- 2. See Table attached.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Date of Settlement	Settlement Price	Date of Registration	State	Catchment/ Water System Source	Security Level	Entitlement Shares (ML)	Allocations Available (ML) for 2008-09 as at 18/03/09
09-Sep-08	\$ 2,150,283.65	21-Oct-08		Gwydir	General	972.0	
08-Sep-08		21-Oct-08		Gwydir	General	1944.0	
15-Aug-08 15-Aug-08	\$ 321,766.38 \$ 679,906.34	10-Nov-08 13-Nov-08		Lachlan Lachlan	General General	460.0 972.0	<u> </u>
14-Aug-08		24-Oct-08		Lachlan	General	972.0	-
14-Aug-08	\$ 679,847.82	04-Nov-08	NSW	Lachlan	General	972.0	-
14-Aug-08 15-Aug-08		19-Nov-08 05-Sep-08		Lachlan	General	972.0 200.0	-
15-Aug-08		20-Oct-08		Lachlan Lachlan	General General	200.0	-
15-Aug-08	\$ 582,706.34	24-Nov-08		Lachlan	General	972.0	-
17-Dec-08		13-Jan-09		Lachlan	General	150.0	-
17-Dec-08 10-Sep-08	\$ 89,718.46 \$ 659,561.59	29-Dec-08 5-Dec-08	NSW	Lachlan Lachlan	General High	150.0 300.0	30.0
21-Aug-08		3-Sep-08		Lachlan	General	238.0	-
21-Aug-08	\$ 318,948.29	10-Sep-08	NSW	Lachlan	General	456.0	-
15-Aug-08		15-Oct-08		Lachlan	General	500.0	-
31-Oct-08 29-Aug-08		11-Nov-08 17-Sep-08		Macquarie and Cudgegong Macquarie and Cudgegong	General General	160.0 292.0	12.8 26.3
14-Aug-08		9-Sep-08		Macquarie and Cudgegong		432.0	39.3
05-Aug-08	\$ 374,070.59	18-Nov-08	NSW	Murray	General	400.0	28.0
22-Jul-08	\$ 84,619.64	13-Jan-09		Murray	General	68.0	3.4
14-Aug-08 01-Aug-08	\$ 399,803.24 \$ 301,185.56	7-Nov-08 19-Sep-08		Murray Murray	General General	400.0 275.0	28.0 24.8
13-Aug-08		28-Oct-08		Murray	General	290.0	20.3
17-Feb-09	\$ 769,747.49	20-Feb-09	NSW	Murray	General	700.0	
11-Aug-08		9-Dec-08		Murray	General	250.0	17.5
15-Aug-08 31-Jul-08		10-Nov-08 4-Sep-08		Murray Murray	General General	787.0 165.0	55.1 14.9
31-Jul-08		21-Aug-08		Murray	General	243.0	21.9
31-Jul-08		20-Aug-08		Murray	General	124.0	11.2
31-Jul-08 25-Jul-08		25-Aug-08 19-Aug-08		Murray Murray (MIL)	General Gen (Class C)	95.0 245.0	8.6
01-Aug-08		19-Aug-08		Murray (MIL)	Gen (Class C)	350.0	18.3 26.1
11-Aug-08		19-Aug-08		Murray (MIL)	Gen (Class C)	793.0	59.2
13-Aug-08		13-Aug-08		Murray	High	63.0	11.3
16-Sep-08 10-Sep-08		2-Sep-08 2-Sep-08		Murray Murray	High High	100.0 127.0	18.0 22.9
29-Sep-08		12-Sep-08		Murray	High	50.0	9.0
28-Oct-08	\$ 207,600.00	30-Sep-08	SA	Murray	High	86.5	15.6
18-Jul-08		29-Aug-08		Campaspe	High	181.0	
21-Aug-08 27-Oct-08		15-Sep-08 31-Oct-08		Campaspe Goulbum	High Low	154.0 105.1	-
14-Aug-08	\$ 480,899.51	8-Sep-08		Goulburn	High	200.0	64.0
14-Aug-08	\$ 697,308.36	17-Sep-08		Goulburn	High	290.0	81.2
14-Aug-08		17-Sep-08		Goulburn	Low	180.5	14.0
05-Sep-08 10-Sep-08		18-Sep-08 22-Sep-08		Goulburn Goulburn	High High	50.0 110.0	30.8
18-Sep-08		14-Oct-08		Goulburn	Low	84.0	-
15-Aug-08	\$ 230,063.73	15-Sep-08		Murray	High	100.0	29.0
20-Jun-08 21-Aug-08		15-Sep-08 15-Sep-08		Murray Murray	Low High	43.3 130.0	37.7
20-Aug-08	\$ 192,443.93	17-Sep-08		Murray	High	80.0	23.2
20-Aug-08	\$ 457,054.34	17-Sep-08	VIC	Murray	High	190.0	55.1
27-Aug-08		18-Sep-08		Murray	Low	150.0	-
22-Jul-08 01-Aug-08	\$ 329,941.87 \$ 535,249.10	29-Aug-08 29-Aug-08		Murray Murray	High High	150.0 267.7	52.5 93.7
31-Jul-08		3-Sep-08		Murray	High	100.0	35.0
21-Jul-08	\$ 154,956.60	26-Aug-08	VIC	Murray	High	73.8	25.8
13-Aug-08 18-Aug-08		3-Sep-08 8-Sep-08		Murray Murray	High Low	319.7 124.8	111.9
18-Aug-08		8-Sep-08		Murray	High	276.0	96.6
22-Aug-08	\$ 240,659.56	15-Sep-08	VIC	Murray	High	120.0	34.8
28-Aug-08		18-Sep-08	VIC	Murray	High	290.0	101.5
21-Aug-08 25-Aug-08		9-Sep-08 9-Sep-08	VIC	Murray Murray	High High	245.0 104.6	85.8 36.6
19-Aug-08		17-Sep-08	VIC	Murray	High	39.0	11.3
19-Aug-08	\$ 170,720.88	17-Sep-08	VIC	Murray	High	79.2	23.0
29-Aug-08		17-Sep-08	VIC	Murray	High	58.0	16.8
19-Aug-08 08-Sep-08	\$ 705,517.00 \$ 160,446.75	17-Sep-08 22-Sep-08	VIC VIC	Murray Murray	High High	327.3 80.0	94.9 23.2
05-Sep-08	\$ 215,537.50	22-Sep-08	VIC	Murray	High	100.0	29.0
28-Aug-08	\$ 154,759.15	18-Sep-08	VIC	Murray	High	73.5	21.3
26-Aug-08		17-Sep-08	VIC	Murray Murray	Low High	35.0 140.0	40.6
23-Sep-08 12-Aug-08		22-Sep-08 22-Sep-08	VIC	Murray	High	140.0 56.0	40.6 16.2
28-Aug-08	\$ 210,554.91	18-Sep-08	VIC	Murray	High	100.0	29.0
22-Jul-08	\$ 220,556.68	18-Sep-08	VIC	Murray	High	100.0	29.0
02-Sep-08		22-Sep-08 18-Sep-08	VIC	Murray Murray	High High	165.0 60.0	47.9
27-Aug-08 01-Sep-08		18-Sep-08 1-Oct-08	VIC	Murray	High	163.5	17.4 36.0
01-Sep-08		1-Oct-08	VIC	Murray	High	140.0	30.8
01-Sep-08		1-Oct-08		Murray	High	481.7	106.0
01-Sep-08 01-Sep-08	\$ 440,867.56 \$ 110,216.89	1-Oct-08 1-Oct-08	VIC	Murray Murray	High High	200.0 50.0	44.0 11.0
09-Sep-08		7-Oct-08	VIC	Murray	High	65.0	11.0
19-Aug-08	\$ 318,855.12	9-Sep-08	VIC	Murray	High	159.0	55.7
18-Aug-08	\$ 220,445.54	15-Sep-08	VIC	Murray	High	100.0	35.0
18-Aug-08	\$ 252,894.64	15-Sep-08 17-Sep-08	VIC	Murray Ovens	High High	120.0 50.0	42.0
15-Aug-08	\$ 82,781.86						

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 331

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water Buy Backs

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

1. Which small regional communities are at risk as a result of the water buybacks?

- 2. Will the Commonwealth be urging Victoria to lift its 4 per cent cap on how much water can be sold out of farming communities?
- 3. What impact have the Government's water buy-backs had on the water market as well as the impact on the amount being paid for water?

Answers:

- 1. None. Agricultural producers in some regions may face risks associated with reduced water availability as a result of drought and climate change and broader economic and market conditions. The impact of the water entitlement purchasing program is expected to be comparatively minimal, with purchases spread across regions in the Murray-Darling Basin and Commonwealth water holdings representing a small fraction of aggregate water entitlement holdings.
- 2. In July 2008, COAG stated its ambition to increase the four per cent limit to six per cent by the end of 2009, provided related reforms occurred. The Government has indicated that it will continue to actively pursue lifting the four per cent limit and the application of the limit on a consistent basis as soon as possible.
- 3. The water entitlement purchasing program is expected to have a minimal impact on the water market. Water entitlements are being purchased with reference to prevailing market prices and the amount of water entitlements purchased represents a small fraction of aggregate water entitlement holdings.

The Department has commissioned the Australian Bureau of Agricultural and Resource Economics to conduct research into the potential impacts of the Australian Government's water entitlement purchasing program on the water market (including water prices), and regional economies and communities.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 332

Output: 3.2

Division/Agency: Water Efficiency Division

Topic: Water – Infrastructure Projects

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

- 1. How many major water infrastructure projects funded under the \$5.8 billion allocation, first announced by the Coalition, have actually seen their works commence? Please provide details of any works.
- 2. How much water has been saved through major water infrastructure carried out by this Government?

Answer:

Please see the response to Question 333.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 333

Output: 3.2

Division/Agency: Water Efficiency Division

Topic: Water Infrastructure

Hansard Page ECITA: Written Question on Notice

Senator Birmingham asked:

Please provide a listing of all water infrastructure projects being considered for funding by the government, including those cited by State Governments in the Memorandum of Understanding, Communiqué or other documents related to agreements on management of the Murray-Darling Basin. Please detail the nature of each project, the estimated costs, estimated water savings, project proponents, regions or areas involved, the current status and the estimated timeframe for delivery.

Answers:

The Government has announced various projects, including as part of the Inter-Government Agreement on the Murray Darling Basin (IGA). Water infrastructure projects included in the IGA are identified in the Communiqué which is available on:

http://www.coag.gov.au/coag_meeting_outcomes/2008-07-03/index.cfm . Other announcements have also been made by the Minister for Climate Change and Water and when contracts are entered into the details are provided on the Department's website. Projects that are being considered by the Government, but have not been announced, are generally subject to Cabinet in Confidence arrangements.

General information on announced water programs and projects is available on: http://www.environment.gov.au/water/programs/index.html .

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 334

Output: 3.1

Division/Agency: Water Efficiency Division

Topic: Water – Infrastructure

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

- 1. What value of water infrastructure projects have <u>commenced</u> due diligence processes in each of New South Wales, Victoria, Queensland, South Australia and the ACT? Please specify the projects.
- 2. What value of water infrastructure projects have <u>completed</u> due diligence processes in each of New South Wales, Victoria, Queensland, South Australia and the ACT? Please specify the projects.

Answers:

The following projects have commenced or completed the due diligence stage:

PROJECT	AUSTRALIAN GOVERNMENT CONTRIBUTION	STAGE
Queensland - Sunwater delivery infrastructure modernisation	\$40m	Commenced
South Australia - Potable water pipeline for Lower Lakes	\$25.74m	Completed
South Australia - Irrigation water pipeline for Lower Lakes	up to \$94.26m (ie the balance of the Australian Government's \$120m commitment for lower lakes pipelines	Commenced

With the exception of the South Australia - Potable water pipeline for Lower Lakes project, the funding figures listed represent the in-principle commitment made by the Australian Government.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 335

Water - Warrego River

Output: 3.1

Division/Agency: Water Efficiency Division

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

- 1. What advice has the Minister received from the Queensland Government in relation to the new irrigation works on the Warrego River?
- 2. What independent assessments of these works has the Commonwealth undertaken?
- 3. What details is the Commonwealth aware of in relation to these works specifically, what volumes of water are involved, where and under what licensing arrangements?

Answer:

Topic:

- 1. The Queensland Department of Natural Resources and Water has confirmed that an application has been submitted to develop a weir on the Warrego River to divert water in accordance with existing water entitlement conditions. The application is currently being assessed by that Department.
- 2. Any new developments with impacts on matters of national environmental significance will need to be considered by the Australian Government under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). A person proposing to take an action that is likely to have a significant impact on a matter of national environmental significance must refer their proposal to the Department of the Environment, Water, Heritage and the Arts (DEWHA) for assessment and approval. The EPBC Act also provides for a proposed development to be referred where the question of significance is not clear. In this situation, DEWHA would advise whether or not approval is needed within the statutory timeframe of 20 business days. The owner of the property in question has not, at this stage, made a referral under the EPBC Act.
- 3. The new irrigation works in question relate to a property on the Warrego River with two existing water entitlements totalling 14,100 ML that have not been fully utilised. The irrigation works application relates to a weir to divert 189 ML from the Warrego River (which the property adjoins), so that more head is created and water can be pumped more easily out of the river. The licences in question relate to water licences granted under Queensland's *Water Resource (Warrego, Paroo, Bulloo and Nebine Catchments) Plan 2003*.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 337

Output: 3.1

Division/Agency: Water Efficiency Division **Topic:** Water – Stimulus package **Hansard Page ECA:** Written Question on Notice

Senator Birmingham asked:

- 1. Please detail the changes to this current financial year and the forward estimates as a result of the agreement reached with Senator Xenophon on the fiscal stimulus package. In particular, please detail the budgeted changes to expenditure in relation to water buybacks.
- 2. What risks to the success of the increased volume of water buybacks stemming from the agreement with Senator Xenophon does the Commonwealth see? How does the Commonwealth plan to mitigate these risks, especially any posed by existing restrictions on water trading?

Answers:

- 1. The overall funding of \$3.1 billion for water buybacks remains the same. The Government is considering the movement of existing annual estimates (consistent with the agreement with Senator Xenophon), within the context of the Budget process. This includes the Appropriation Bills currently in Parliament for the 2008-09 Supplementary Additional Estimates. The Government will publish the details in due course.
- 2. There is a risk that the Restoring the Balance in the Murray-Darling Basin program will not attract sufficient sellers of entitlements that meet our value for money criteria, to fully expend any additional funds. Restrictions on trade such as the four per cent limit may also delay the acquisition of entitlements.

The Commonwealth is mitigating these risks by acquiring water entitlements from across the Murray-Darling Basin, continually improving communication with stakeholders, and by working with Basin states to reduce barriers to trade.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, 23-24 February 2009

Outcome: 3 Question No: 340

Output: 3.1

Division/Agency: Water Reform Division **Topic:** Water – Lower Lakes

Hansard Page ECITA: Written Question on Notice

Senator BIRMINGHAM asked:

- 1. Does the Government totally rule out purchasing temporary water allocations for the Lower Lakes or other sites in need of environmental water flows? If not, in what circumstances would the Government countenance purchasing temporary water allocations?
- 2. Does the Government agree with suggestions by Dr Jennie Fluin of the University of Adelaide that Lake Albert was an "ephemeral wetland" in the past rather than "a filled basin as Lake Alexandrina was"? On what evidence does the Government draw this conclusion?
- 3. How does this influence the Government's beliefs on how Lake Albert should be managed into the future?

- 1. The Australian Government is purchasing water entitlements, not allocations, under the *Restoring the Balance in the Murray-Darling Basin* program (RtB).
- 2. Current published palaeolimnological research provides information on the history of Lake Alexandrina and the Coorong lagoons but not for Lake Albert. A media report in The Australian on 12 January 2009 indicated that Dr Fluin would be examining core samples from Lake Albert and suggested that Lake Albert may have been an ephemeral wetland. The department will seek a copy of Dr Fluin's research when it is made available.
- 3. A plan for long-term management of the Coorong, Lower Lakes and Murray Mouth, including Lake Albert, is being developed by South Australia with \$10 million funding support from the Australian Government. A further \$190 million has been committed for the implementation of this plan subject to due diligence and environmental approvals. The Australian Government expects that existing and new research will be taken into consideration in the development of this plan.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 341

Output: 3.1

Division/Agency: Water Reform Division

Topic: Parliamentary Secretary

responsibilities

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

What roles and responsibilities will be taken on by the newly appointed Parliamentary Secretary for Water?

Answers:

Responsibilities of the new Parliamentary Secretary for Water, Dr Mike Kelly AM MP include the following:

- Administering the rainwater tanks and grey water program.
- Management of the Water Smart Australia program.
- Management of the Great Artesian Basin Sustainability Initiative.
- Management of Lake Eyre Basin matters.
- Attendance at Commonwealth-State ministerial meetings that fall within his agreed responsibilities.
- Participating in consultations in regional areas regarding the development of the new Murray-Darling Basin Plan.

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Additional Estimates, February 2009

Outcome: 3 Question No: 342

Output: 3.1

Division/Agency: Water Governance Division

Topic: Water savings projects

Hansard Page ECA: Written Question on Notice

Senator Birmingham asked:

- 1. What funding will be available for community groups and individuals who wish to undertake water saving projects?
- 2. When will this funding become available?
- 3. What will be the eligibility requirements for this funding?
- 4. Will there be a new program to assist schools who wish to apply for funding to help conserve water?

Answers:

1. Under the National Rainwater and Greywater Initiative (NRGI) households can apply for rebates of up to \$500 to purchase and install rainwater tanks or greywater systems.

Also under the NRGI surf life saving clubs can apply for grants of up to \$10,000 to purchase and install rainwater tanks or other water efficient and water saving devices.

The 'National Solar Schools Program' offers grants of up to \$50,000 for schools to install solar and other renewable power systems, solar hot water systems, rainwater tanks and a range of energy efficiency measures.

- 2. Funding is currently available for these grants.
- 3. The eligibility requirements for the NRGI are detailed in the NRGI program guidelines that are available from www.environment.gov.au/water or by calling 1800 808 571.

The eligibility requirements for the 'National Solar Schools Program' are available from:

www.environment.gov.au/settlements/renewable/nationalsolarschools/index.html

4. See response to Part 1.