

**Senate Standing Committee on Environment, Communications and the Arts
Legislation Committee**

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

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|--------------------------|--------------------------------|---------------------|----|
| Outcome: | 4 | Question No: | 73 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water buybacks and ABARE study | | |
| Hansard Page ECA: | 117-118 (26/5/10) | | |

Senator JOYCE asked:

Senator JOYCE—Have you used in any way, shape or form or resourced that ABARE study?

...

Senator JOYCE—The ABARE study is also highly aggregated, dividing the basin into seven economic zones. In their words ABARE state, ‘In a sense this is not an ideal way to examine the regional effects.’ Given this, is the department commissioning other work which looks at the effects of buybacks in a more disaggregated way?

Senator Wong—Can we do this with some order? Those are questions for the department. If you want to finish with the MDBA and move to the department then we are very happy to facilitate that. ...

Answers:

In June 2008, the Department commissioned the Australian Bureau of Agricultural and Resource Economics (ABARE) to examine the future impacts of the Australian Government's water purchase program on water markets, regional economies and communities in the Murray-Darling Basin. This project resulted in a publicly released report titled *Assessing the future impact of the Australian Government environmental water purchase program*. .

The Department has been advised by ABARE that their model of the regional economy can not be disaggregated further until data required to run the model can be obtained at a finer scale.

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| Outcome: | 4 | Question No: | 74 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Menindee storage lakes redevelopment | | |
| Hansard Page ECA: | 126-127 (26/5/10) | | |

Senator JOYCE asked:

Senator JOYCE—Is there any reason why, Minister, you did not have the competency to actually go forward with the \$410 million that is allocated to you for the redevelopment of the Menindee storage lakes?

Senator Wong—I am happy to answer questions about Menindee. That is not a question for the MDBA. Do you want me to bring the department to the table and ask the MDBA to—

Senator JOYCE—No.

Senator Wong—So we have finished with the MDBA?

Senator JOYCE—As long as we get a chance to ask them—

Senator Wong—I am happy to answer that question.

Senator JOYCE—I was more interested in you because it is sort of your decision.

Senator Wong—Yes, and I have answers.

Senator JOYCE—Can you only answer that later on?

Senator Wong—I would like the officers responsible for this issue at the table, Senator. ...

Answer:

The Government has funded two major investigative studies at Menindee Lakes to ensure that evidence-based decision making underpins implementation of the \$400 million Menindee Lakes election commitment.

The Darling River Water Savings Project Part B Study final report was released in August 2010. The Broken Hill Managed Aquifer Recharge (BHMAR) project Phase 2 delivered an interim report in March 2010 with a final report expected by early 2011.

To support the implementation of the project, the Australian and NSW governments entered into a Memorandum of Understanding (MoU) in July 2010 for the cooperative investigation and subsequent implementation of key water reform initiatives in NSW, including for Broken Hill's urban water supply and Menindee Lakes' operational arrangements.

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| Outcome: | 4 | Question No: | 75 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Infrastructure projects – due diligence | | |
| Hansard Page ECA: | 133-134 (26/5/10) | | |

Senator XENOPHON asked:

Senator XENOPHON—Also, in terms of the issue of infrastructure, a nuanced approach—whether there is a greater degree of rigour. Your media release made reference to the issue of due diligence. Will there be a different approach to that in the light of some of the findings of the commission?

...

Ms Kruk—We have an obligation to give the minister advice in relation to the matters that you referred to in that press release.

Senator XENOPHON—So that is still an ongoing process?

Senator Wong—Yes. I think what Dr Horne is trying to get at is that we are not only trying to improve this as a result of the Productivity Commission; there is an ongoing process of working through improvements on due diligence and on the program itself. What we are trying to reflect to you is that, yes, obviously that is one prompt but, in fact, that is the approach that was being taken.

Senator XENOPHON—Insofar as you would be advised with respect to the Productivity Commission recommendations on infrastructure and the efficacy of the infrastructure projects, when do you expect that a final position will be reached?

Senator Wong—I would probably have to take that on notice. That work is still underway.

...

Answer:

The Department is consulting with central agencies on a formal proposed whole of government response to the Productivity Commission's report.

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| Outcome: | 4 | Question No: | 76 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Release of Menindee Lakes study | | |
| Hansard Page ECA: | 135 (26/5/10) | | |

Senator XENOPHON asked:

Senator Wong—... We funded two investigative studies at Menindee. The intent was to ensure there is sound information to make a decision on what would be a very substantial infrastructure decision. One of those studies, as has been flagged today, was completed in late March. We have a further interim report—

Senator XENOPHON—Has that been released?

Senator Wong—No, not as yet. That is still before me.

Senator XENOPHON—Could you indicate a time frame as to when that will be released?

Senator Wong—That is a matter I am considering. I flag with you that this would be something we will need some significant consultation on. ...

Answer:

The Darling River Water Savings Project (DRWSP) Part B Study final report was released in August 2010.

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| Outcome: | 4 | Question No: | 77 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Foodbowl Modernisation stage 2 - due diligence | | |
| Hansard Page ECA: | 135-136 (26/5/10) | | |

Senator XENOPHON asked:

Senator XENOPHON—Finally in relation to this, given a number of experts have expressed concerns with respect to what has already occurred with the north-south pipeline, will that be taken into account in the context of the due diligence that you will consider for stage 2?

Ms Harwood—We are doing very comprehensive due diligence on the business case for stage 2. We are in the midst of that at the moment. A very important part of that due diligence, using external expertise as well, is looking at the projected water savings, the nature, extent and character of the water and the timing and the estimation of those water savings. So a large part of the due diligence is looking at the character and volume of the water savings projected.

Senator XENOPHON—I may get a briefing from your very helpful officers in relation to this.

Senator Wong—We are very happy to provide it.

Answer:

The North South pipeline, a project of the Victorian Government, is quite separate from Stage 2 of the Northern Victoria Irrigation Renewal Project (NVIRP).

Due diligence on NVIRP Stage 2 commenced after receipt of the business case for the project from the Victorian Government on 1 March 2010.

Due diligence is being undertaken in accordance with the due diligence criteria in the Murray-Darling Basin Intergovernmental Agreement as well as the Business Case Information Requirements. A rigorous and thorough review is being undertaken. If concerns relating to the separate North South pipeline project are relevant to the scope of the NVIRP Stage 2 project they would be captured in the due diligence review.

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| Outcome: | 4 | Question No: | 78 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Rural water infrastructure projects in WA | | |
| Hansard Page ECA: | 136 (26/5/10) | | |

Senator SIEWERT asked:

Senator SIEWERT—That is what I figured was happening. Have they been engaging the Commonwealth in discussions over potential funding assistance for the development of the process in that south-west part of Western Australia? Dr Horne made some comments about how part of the process may be some discussions around funding for particular initiatives. I am just wondering: are they seeking funding for particular initiatives associated with that particular area?

Senator Wong—With the water price changes and so forth? I will take advice on this, but the nature of discussions with the Western Australian government, as with most governments on the urban waterfront, has been around accessing funding for urban water projects such as desal, stormwater et cetera. We have announced a range of funding of projects across the country.

Senator SIEWERT—This is below the metro area, so it is starting to introduce water-trading arrangements in south-west Western Australia and the water associated with that area.

Ms Harwood—There are some rural water infrastructure projects that we have been working on with Western Australia, funded under the Sustainable Rural Water Use and Infrastructure Program. We could provide details of those on notice.

Answer:

The Australian Government has committed \$6.6 million towards the Gascoyne Irrigation Pipeline Project. The Australian Government has also provided funding towards a number of water-related infrastructure projects in south-west Western Australia under the Sustainable Rural Water Use and Infrastructure Program (SRWUIP) including:

- \$35 million towards the Harvey Water Pipeline Project (now complete); and
- \$320,000 for irrigation modernisation planning in the Collie River Irrigation System (now complete).

\$5.19 million was also provided from the SRWUIP towards the Commonwealth Scientific and Industrial Research Organisation (CSIRO) South-West Western Australia Sustainable Yields project. This report was released in March 2010.

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| Outcome: | 4 | Question No: | 79 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water conveyancing processing times | | |
| Hansard Page ECA: | 138 (26/5/10) | | |

Senator BIRMINGHAM—And I know we have had various exchanges on the Menindee Lakes tonight already. Looking at question on notice No. 131, and the answer to question 4 relating to conveyancing processing times between states, why does it take about four times as long to transfer water as it does your average suburban house.

Senator Wong—That is a very good question, Senator.

Senator BIRMINGHAM—And what is being done to make that process somewhat more efficient?

...

Dr Horne—We have set some standards that states have agreed to. As the systems improve, remembering that there are some states that still have entirely paper based systems, we hope that within a time frame—I could get you the time frames if you like—in a couple of years all systems will be electronic, will be compatible and will be able to talk to each other. When all of that happens, these times should dramatically reduce. At the moment some of the paper based systems really just lead, in the tails of your spectrum, if you like, these very long times. These are averages. You can see the difference between the minimum, the maximum and the average. It is a pretty big range. You would hope that, once you get your systems improved, to a certain extent—

...

Senator BIRMINGHAM—Dr Horne, perhaps you could provide that information on notice, in terms of the targets—

Dr Horne—Yes.

Answer:

Service standards for trade processing time by state authorities have been developed by Commonwealth and state governments to improve confidence and transparency in the water market and facilitate greater efficiency.

Service standards for states across the Murray-Darling Basin to approve permanent (entitlement) trades were adopted by the Natural Resource Management Ministerial Council in May 2009. The standards were introduced on 1 July 2009, and require 90 per cent of entitlement trades to be processed within 20 business days for the approval stage and within 10 business days for the registration stage.

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| Outcome: | 4 | Question No: | 80 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Northern Victoria Irrigation Renewal Project | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

When will the Victorian Government be notified about when the Federal Government will grant the \$1.1 billion of Commonwealth funding under Stage 2 of the Northern Victoria Irrigation Renewal Project?

Answer:

The Northern Victoria Irrigation Renewal Project (NVIRP) Stage 2 was a project agreed in principle between the Australian and Victorian governments in the Murray-Darling Basin Intergovernmental Agreement signed in July 2008.

The project was agreed subject to due diligence, with Australian Government funding of up to 90 per cent of the project cost to a maximum of \$1 billion. The business case for the project was delivered to the Department on 1 March 2010. Once due diligence assessment is complete, the Minister for Sustainability, Environment, Water, Population and Communities will consider recommendations from the Department and make a decision.

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| Outcome: | 4 | Question No: | 81 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | On-Farm irrigation grants | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

When will the Federal Government release funding for the next tranche of on-farm irrigation grants?

Answer:

The On-Farm Irrigation Efficiency Program is being funded through three rounds over four years. The call for applications for the next round of funding is expected to be announced in due course.

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| Outcome: | 4 | Question No: | 82 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water Buybacks | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

I refer you to the accelerated water buybacks announced in the budget.

1. What exactly are the costs for "related expenses" for?
2. Has a line item for related expenses been included in previous estimates of the costs under this program?
3. Are these related expenses coming from the \$3.1 billion budget for the Restoring the Balance program?
4. If so, what proportion of the \$3.1 billion is expected to be spent on related expenses?

Answers:

1. Related expenses in regard to the Australian Government's Water Buyback Program refer to the departmental funding necessary to support implementation of the program.
2. Yes. Departmental funding is reported as a component of the Water Buyback Program.
3. Yes.
4. Of the total Restoring the Balance Program budget of \$3.1 billion, 5 per cent is allocated to departmental expenses.

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| Outcome: | 4 | Question No: | 83 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water recovery programs | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

The Productivity Commission has estimated that given past and existing water recovery programs, around 2500 GL of annual average flows could be recovered.

1. Do you agree with this estimate?
2. If not what is the Department's assessment of how will eventually be recovered?

Answers:

It is not possible to accurately predict the volume of annual average flows from water recovery programs. The final outcome will depend on future water entitlement market conditions and the outcome of projects funded under the Sustainable Rural Water Use and Infrastructure program, many of which are currently undergoing due diligence.

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| Outcome: | 4 | Question No: | 84 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water - Victorian Contracts | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

How many Victorian contracts (by volume and value) has the Commonwealth exchanged but not concluded trade due to the 4 per cent cap?

Answer:

As at 30 September 2010, there were 209 Commonwealth water entitlement purchases (for approximately 41 GL of water entitlements worth approximately \$90 million) which had been rejected for trade approval due to the Victorian 4 per cent cap in the 2010-11 irrigation season. These trades cannot be completed until trade approval is given.

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| Outcome: | 4 | Question No: | 85 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water – NSW Contracts | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

How many New South Wales contracts (by volume and value) has the Commonwealth exchanged but not concluded trade due to the aggregate cap which exists in that State?

Answer:

There were no New South Wales trades where completion was delayed by the agreed limit on tender purchases.

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| Outcome: | 4 | Question No: | 86 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Broken Hill Managed Aquifer Recharge Project | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

1. What is the progress under the Broken Hill Managed Aquifer Recharge Project? Is it on track for completion by September 2010?
2. How much extra water is this projected expected to deliver Broken Hill?
3. Does it deliver any water savings for the Basin?

Answers:

1. An interim report for Phase 2 of the Broken Hill Managed Aquifer Recharge (BHMAR) project was delivered to the Department in March 2010. Phase 2 involved detailed analysis of the region's groundwater systems, including data from on-ground drilling programs.

In July 2010, the Australian and New South Wales Governments entered into a Memorandum of Understanding (MoU) for the cooperative investigation and subsequent implementation of key water reform initiatives in NSW. The MoU included the next phase of the BHMAR work - an assessment of a priority target aquifer's technical viability for use to secure Broken Hill's water supply. Completion of the final Phase 2 report has been delayed by the work on the priority aquifer. A final report for Phase 2 is expected in February 2011.

2. The aim of the BHMAR project is to assess the potential of managed aquifer recharge as an option for providing Broken Hill with a more secure water supply, based on current demand.
3. Securing Broken Hill's water supply through a reduced dependence on water stored in Menindee Lakes is expected to generate savings from reduced evaporative losses.

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| Outcome: | 4 | Question No: | 87 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Sustainable Rural Water Use and Infrastructure Program | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

1. What are the formal criteria that the Department uses to evaluate proposals received under the Sustainable Resource and Water Use Infrastructure program?
2. Are these criteria publicly available?
3. Does the Department use specific weightings against these criteria?
4. Are these weightings publicly available?

Answers:

1. The Sustainable Rural Water Use and Infrastructure Program (SRWUIP) is a component of the Government's 'Water for the Future' initiative.

State Priority Projects in the Intergovernmental Agreement on Murray-Darling Basin Reform of 3 July 2008 were agreed subject to due diligence.

For the State Priority Projects a submitted business case is required to address the Business Case Information Requirements, which has been provided to each of the Basin States. The business case is then assessed in accordance with the due diligence criteria as agreed in the Murray-Darling Basin Intergovernmental Agreement at Annexure E.

For Commonwealth-led grants programs under SRWUIP, such as the On Farm Irrigation Efficiency Program or the New South Wales Private Irrigation Operators Infrastructure Program, the criteria against which applications for funding are assessed are published as part of the program guidelines.

2. The Intergovernmental Agreement on Murray-Darling Basin Reform is publicly available.
- 3-4. The due diligence criteria are of equal importance.

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| Outcome: | 4 | Question No: | 88 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Sustainable Rural Water Use and Infrastructure Program | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

1. How does the Department protect the probity of the assessment process under the Sustainable Resource and Water Use Infrastructure program?
2. Does the Department engage an independent probity adviser to oversight the assessment of proposals received under this program?
3. Can you explain how the Government assesses value for money of proposals received under the Sustainable Resource and Water Use Infrastructure program?
4. Does the assessment involve considering the cost per ML of the savings?
5. How does the government assess the benefits to the wider community of the infrastructure when assessing an upgrade on a cost per ML basis?
6. Is there a dollar figure given to community benefits in these assessments?

Answers:

- 1-2. The \$5.8 billion Sustainable Rural Water Use and Infrastructure Program is a component of the Australian Government's 'Water for the Future' initiative. All programs and projects funded under the Sustainable Rural Water Use and Infrastructure Program have established assessment criteria as well as an associated assessment plan to evaluate proposals/applications against these criteria. The Department has governance arrangements in place that require demonstrated adherence to the assessment plan. Independent probity advice is sought as required.
- 3-6. The main component of the Sustainable Rural Water Use and Infrastructure Program is the State Priority Projects. These projects are assessed in accordance with the due diligence criteria as contained in Schedule E of the Intergovernmental Agreement on Murray-Darling Basin Reform of 3 July 2008. A copy of Schedule E is attached.

Inter alia, proposals need to demonstrate a contribution towards regional investment and development, securing regional economies and support for the local community over a twenty year horizon. A dollar per megalitre benchmark against local/regional water market prices is one tool which is used in assessing the value for money proposals, albeit recognising that infrastructure projects are more expensive than simply water purchase.

Commonwealth Government Due Diligence Criteria for Basin State Priority Projects

In undertaking the due diligence assessment of priority projects the Commonwealth will consider the social, economic, environmental, financial and technical aspects of the project.

1. Economic and social criteria

Projects must be able to secure a long-term sustainable future for irrigation communities, in the context of climate change and reduced water availability into the future:

- projects must contribute towards regional investment and development, secure regional economies and support the local community; and
- projects must demonstrate a long-term economic and environmental benefit that can be sustained over a 20 year horizon, preferably supported by an irrigation modernisation plan consistent with the Commonwealth's guidelines for irrigation modernisation planning assistance.

2. Environmental criteria

Projects must deliver substantial and lasting returns of water to the environment to secure real improvements in river health:

- projects must be based on a technically valid calculations of net water savings, with projections to take into account the impacts of climate change;
- projects must be able to deliver water in the form of a secure and transferable water entitlement to the Commonwealth Environmental Water Holder; and,
- the Commonwealth's share of water saved must be capable of being used for purposes that reflect the Commonwealth's environmental priorities

3. Value for money criteria

Projects must deliver value for money in the context of the first two criterion:

- projects must have a suitable dollar per megalitre benchmark against local/regional water market prices and represent cost- and time-effective strategies for achieving water savings;
- projects must demonstrate a positive cost-benefit outcome for a range of investment scenarios, compared with a no change option; and
- there must be clearly defined, and agreed, cost sharing arrangements.

4. Water reform criteria

All activities associated with the funding of projects must be in accordance with Council of Australian Governments and National Water Initiative agreements.

Jurisdictions or other parties must make progress towards key water reforms, including those previously agreed to by jurisdictions under the National Water Initiative, including, but not limited to:

- competitively neutral and independently regulated water market and trading arrangements across the southern connected Basin;

- water charging regimes that reflect the full cost of supply to end users, including environmental externalities where feasible and practical;
- publicly accessible and compatible water register arrangements across all Basin jurisdictions (including a national water register information database); and
- strategic investment to accelerate development of a best practice and consistent Basin water modelling platform, noting that the Murray-Darling Basin Authority will be developing such a platform in consultation with Basin States;
- compliance with any other COAG water and National Water Initiative reforms.

5. Other due diligence criteria

Projects must be consistent with best practice and other national approaches and standards being adopted for planning and implementation of *Water for the Future*.

Projects will need to integrate with Basin State water planning documents and processes.

Projects involving irrigation systems will require independently-conducted water loss hotspot assessment and modernisation plans.

Funding will be provided for on-ground works related expenditure only and not for financial restructuring or other purposes.

Suitable project management capability and capacity must be demonstrated.

Project specifications must include:

- appropriate governance arrangements for the project to ensure it delivers on time, within budget and against all key objectives;
- compliance with relevant state environmental legislation and the *Environment Protection and Biodiversity Conservation Act 1999*;
- compliance with other relevant jurisdictional legislation;
- indemnification of the Commonwealth against any environmental or other third party damage caused by the project;
- no responsibility to the Commonwealth for any past, present or future taxation liabilities arising from investments;
- warranties on investments; and
- no allocation of responsibility to the Commonwealth for any legal contracts already entered into, except where explicitly agreed.

The Commonwealth will take into account other relevant matters where necessary in undertaking its due diligence.

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| Outcome: | 4 | Question No: | 89 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Small Block Exit Program | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

1. How much water was recovered through the Small Block Exit Grant program?
2. What price per ML does that work out to?
3. How many successful applicants from SA/Vic/NSW?

Answers:

1. 21.04 GL
2. \$2322.90 per ML for the sale of water entitlements to the Commonwealth
3. South Australia: 176
Victoria: 108
New South Wales: 13

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| Outcome: | 4 | Question No: | 90 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water infrastructure program | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

1. How many ML will be saved by projects under the \$5.8 billion infrastructure program?
2. How many of these projects have been completed?
3. How many of these projects have actually delivered a ML to the environment so far?
4. How much of the \$5.8 billion under the infrastructure program has been allocated?
5. What is the rest to be allocated to?

Answers:

- 1-5. The \$5.8 billion Sustainable Rural Water Use and Infrastructure Program is a component of the Government's *Water for the Future* initiative.

A number of the infrastructure elements with the Sustainable Rural Water Use and Infrastructure Program are already complete or substantially complete. These are:

- a) Harvey Water Piping Project in Western Australia;
- b) Wimmera-Mallee pipeline in Victoria;
- c) South Australian Integrated Pipelines in the lower lakes region of South Australia; and
- d) the Western Australia sustainable yields study.

In addition, many Sustainable Rural Water Use and Infrastructure programs and projects are underway including:

- a) two projects under round one of the On-Farm Irrigation Efficiency Program as well as three on farm pilot projects;
- b) 49 projects announced under the Strengthening Basin Communities Program;
- c) Round one projects for the New South Wales Private Irrigation Infrastructure Operators Program;
- d) three pilot projects in New South Wales as part of their respective State Priority Project on Metering and On-farm modernisation;
- e) irrigation efficiency projects in Tasmania;
- f) the Irrigation Modernisation Planning Assistance Program where 19 irrigation operators have been awarded grants;
- g) development of the National Water Market System;

As at 31 August 2010, a total of \$4.9 billion of the Sustainable Rural Water Use and Infrastructure Program funds have been committed.

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| | | | |
|--------------------------|-------------------------------|---------------------|----|
| Outcome: | 4 | Question No: | 91 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Irrigator-led Group Proposals | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

How many sales of water have been accepted under the “Irrigator-led Group Proposals” program?

Answer:

As at 31 August 2010, the Department was pursuing one application received under the “Irrigator-led Group Proposal” program. That proposal is now undergoing technical and legal due diligence checks to identify any issues that may affect value for money, prior to a decision on accepting the offer and proceeding to contract.

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

Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

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| Outcome: | 4 | Question No: | 92 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water Purchasing | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

1. How does the Department assess the costs of stranded assets when it purchases water?
2. That is, does the Department consider the costs that “spillover” to irrigator schemes when water is purchased from main channels rather than at the end of a spur?

Answers:

- 1-2. The Australian Government has committed to purchase water entitlements from sellers who are choosing to sell entitlements. In making this decision to sell water entitlements these individuals will consider the impact of the sale on their assets and the sellers will be responsible for meeting any termination fees payable to irrigation water service providers as a consequence of the transaction.

Termination fees provide for the ongoing costs of maintaining irrigation infrastructure. The fees limit the third party impacts of irrigators terminating access to an operator’s irrigation network and provide a degree of investment certainty for the operator.

The *Water Charge (Termination Fees) Rules 2009* set rules for when a termination fee can be levied by irrigation infrastructure operators, and the level at which it can be set. The rules generally permit operators to levy a termination fee when an irrigator chooses to terminate access to an operator’s network; and cap the fee at ten times the irrigator’s total network access charge. The 10 times cap strikes a reasonable balance between providing investment certainty for operators and flexibility for irrigators. The termination fee rules also provide for the Australian Competition and Consumer Commission to approve contracts containing termination fees higher than the 10 times cap, where they deem that to be appropriate.

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Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

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| Outcome: | 4 | Question No: | 93 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Broken Hill Aquifer | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator BIRMINGHAM asked:

Has the government funded aquifer drilling activities around Broken Hill or the Menindee Lakes? If so please detail the funding & activities undertaken.

Answer:

The Australian Government is funding the Broken Hill Managed Aquifer Recharge (BHMAR) project. This project is investigating the potential for groundwater extraction and managed aquifer recharge as an option to secure Broken Hill's water supply. Recent work has involved data acquisition on the region's groundwater systems, including on-ground drilling programs. The total spent up to 31 August 2010 on the BHMAR project is \$14,957,563.

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Environment, Water, Heritage and the Arts portfolio

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| Outcome: | 4 | Question No: | 95 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | On-farm irrigation efficiency program | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator BIRMINGHAM asked:

In relation to Round 1 of the on-farm irrigation efficiency program:

1. How many tenders were received?
2. How many of these complied with the terms of the tender?
3. What was the total value of all complying tenders by expenditure sought and volume of estimated water savings?
4. How many projects were short listed?
5. What was the total value of all short listed projects in terms of expenditure sought and volume of estimated water savings?
6. Of the 6 projects that the Minister announced in principle funding for on 19 March 2010, have completed individual contracts or project plans been supplied for each project on time? Are all still expected to proceed?

Answers:

1. The Department received 18 applications to round one of the On-Farm Irrigation Efficiency Program.
2. Nine of the 18 applications complied with the eligibility requirements of the program.
3. The total estimated value of Australian Government funding sought by eligible projects from these nine applications was \$355 million (excluding GST). The proposals claimed an estimated 156.8 GL of water savings.
4. 16 projects (from six of the nine applicants) were short listed for in-principle funding.
5. The total estimated value of Australian Government funding sought by these 16 projects was \$199.4 million (excluding GST) and they claimed an estimated 104.3 GL of water savings. Note that round one funding was capped at \$100 million, so not all project components were funded.
6. All six applicants awarded in-principle funding by the then Minister for Climate Change, Energy Efficiency and Water on 19 March 2010 have completed individual draft project plans on time. At 20 September 2010, two applicants have signed funding agreements and the four remaining applicants are expected to sign their funding agreements shortly.

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Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

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|--------------------------|----------------------------|---------------------|----|
| Outcome: | 4 | Question No: | 96 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water Purchase | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

Is it the case that the transaction costs of purchasing water are factored in, in such a way, such that smaller volumes of water offered in one parcel have a disadvantage compared to larger volumes of water offered to the Government?

Answer:

The Tender Guidelines for the Restoring the Balance in the Murray-Darling Basin water entitlement purchasing program clearly state that all purchase decisions are based on value for money. The Guidelines describe the assessment process and indicate that offers will be ranked in order of value for money, calculated in a way which accounts for expected transaction costs. As some transaction costs are fixed or amount to a per transaction fee, this will favour larger sell offers. In this way larger parcels can, other things being equal, deliver a better value for money outcome for taxpayers.

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Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

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|--------------------------|----------------------------|---------------------|----|
| Outcome: | 4 | Question No: | 97 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water tenders | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

What proportion of tenders for water was accepted in all water buyback tenders conducted over the past financial year? Please provide the details for the entire Basin, the northern Basin and the southern Basin.

Answer:

The Department conducted three tenders in the southern connected Murray system and one tender in the Queensland Lower Balonne in the 2009-10 financial year.

The overall proportion of offers accepted in the three southern Basin tenders was 23.88 per cent.

The assessment of the Lower Balonne tender was completed on 8 September 2010. The overall proportion of offers accepted in the Queensland Lower Balonne tender was 8.1 per cent.

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Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

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|--------------------------|-------------------------------|---------------------|----|
| Outcome: | 4 | Question No: | 98 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water infrastructure projects | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator BIRMINGHAM asked:

How much has the Government spent on all water saving infrastructure projects since its election?

Please detail expenditure by all projects or programs per year and indicate the total planned for each project and program.

Answer:

The Government's water reform package is *Water for the Future*. The total expenditure on water infrastructure projects under *Water for the Future*, up to 31 August 2010, is \$1.02 billion.

The following table shows the current funding committed to infrastructure projects for each of the programs under the *Water for the Future* initiative, along with total infrastructure expenditure for each program by year and to date.

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Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

***Water for the Future* - Expenditure and Committed Funding for Infrastructure,
as at 31 August 2010**

| Program | Total Committed Funding \$m | Expenditure | | | |
|---|--------------------------------------|----------------|----------------|----------------|----------------|
| | | 2007-08 \$m | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m |
| Sustainable Rural Water Use and Infrastructure | 4,593.8 | 113.6 | 51.4 | 195.8 | 5.5 |
| National Water Security Plan for Cities and Towns | 239.9 | 10.0 | 13.3 | 18.7 | 1.8 |
| National Urban Water and Desalination Plan | 645.4 | | 24.0 | 87.8 | 5.3 |
| Great Artesian Basin Sustainability Initiative | 74.4 | | | 4.7 | |
| Water Smart Australia | 585.6 | 236.7 | 81.7 | 99.7 | 19.6 |
| The Living Murray Initiative | 53.2 | 24.8 | 2.8 | 23.6 | |
| Total | 6,192.3 | 385.1 | 173.2 | 430.3 | 32.2 |

Notes to the table:

1. The rounding of amounts may result in minor discrepancies.
2. Total committed funding refers to amounts announced or agreed for specific program elements or projects relating to water infrastructure.
3. Expenditure and committed funding refers to the Department's Administered funding which includes payments through the Department of Treasury under the *Federal Financial Relations Act 2009*.
4. Great Artesian Basin Sustainability Initiative - the table only includes committed funding and expenditure under *Water for the Future*.

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Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

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|--------------------------|---|---------------------|----|
| Outcome: | 4 | Question No: | 99 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water saving infrastructure program funding | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator BIRMINGHAM asked:

What targets for each water saving infrastructure program (in value of expenditure and volume of water saved) does the Government have for each remaining year of each program, including this one?

Answer:

Water savings arising under programs are agreed in the project development and assessment process, which aims to achieve the best value for money for the Commonwealth investment. The following table shows the current level of funding committed for infrastructure projects for each program under *Water for the Future*.

***Water for the Future* - Committed Funding for Infrastructure Projects
as at 31 August 2010**

| Program | Total Committed Funding (\$m) |
|---|--------------------------------------|
| Sustainable Rural Water Use and Infrastructure | 4,593.8 |
| National Water Security Plan for Cities and Towns | 239.9 |
| National Urban Water and Desalination Plan | 645.4 |
| Great Artesian Basin Sustainability Initiative | 74.4 |
| Water Smart Australia | 585.6 |
| The Living Murray Initiative | 53.2 |

Notes to the table:

1. Total committed funding refers to amounts announced or agreed for specific program elements or projects relating to water infrastructure. Water savings may not be relevant to all projects.
2. Great Artesian Basin Sustainability Initiative - the table only includes committed funding under *Water for the Future*.

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Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

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| Outcome: | 4 | Question No: | 100 |
| Program: | 4.1 | | |
| Division/Agency: | Water Efficiency Division | | |
| Topic: | Water – Part B Study | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

In answer to questions asked last year's budget estimates, the Department responded that the final expected completion date for the Part B study was due to be finalised by November 2009.

1. Has that been completed? If not what explains the delay?
2. How much has the Part B study cost in total?
3. What is the Commonwealth's contribution to this cost?
4. Has the Commonwealth been liable or will it be liable to fund any costs associated with delays with this study?

Answers:

1. The Darling River Water Savings Project (DRWSP) Part B study was released in August 2010.
2. \$1,143,881.
3. The DRWSP Part B study was co-funded with the NSW Government Office of Water, with each party paying half of the total project cost. The Australian Government's contribution was \$571,940.
4. The delays in the project did not result in additional project costs. The DRWSP was delivered within budget.

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Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

Outcome: 4 **Question No:** 101
Program: 4.1
Division/Agency: Water Governance Division
Topic: Water for the Future
Hansard Page ECA: Written Question on Notice

Senator JOYCE asked:

1. Could the Department please provide the costings for all the programs in the \$12.9 billion Water for the Future?
2. Could the Department please indicate how much of any individual program has been spent in each of these individual programs?
3. Could the Department also please separately indicate how much of an individual program has been allocated to a specific program?

Answers:

- 1-3. The table below details expenditure and funding, as at 31st August 2010, for *Water for the Future* programs.

Water for the Future – Program Funding (Administered and Departmental)

| Program | Expenditure \$m | Funding \$m |
|--|--------------------|----------------|
| Sustainable Rural Water Use and Infrastructure | 487 | 5,792 |
| Restoring the Balance in the Basin | 1397 | 3,070 |
| Great Artesian Basin Sustainability Initiative | 11 | 85 |
| National Water Security Plan for Cities and Towns | 44 | 258 |
| National Rainwater and Greywater Initiative | 6 | 26 |
| National Urban Water and Desalination Plan | 117 | 904 |
| Water Smart Australia | 728 | 944 |
| The Living Murray Initiative | 185 | 185 |
| Bioremediation and Revegetation Trials | 8 | 10 |
| Driving Reform in the Basin * | 117 | 622 |
| Improving Water Information (Bureau of Meteorology) | 136 | 448 |
| Northern Australia Futures Assessment & Taskforce # | 15 | 20 |
| Raising National Water Standards (National Water Commission) | 199 | 222 |

* Also involve the Australian Competition and Consumer Commission, and Murray Darling Basin Authority

Also involve the National Water Commission and the Department of Infrastructure, Transport, Regional Development and Local Government

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Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Budget Estimates, May 2010

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|--------------------------|----------------------------|---------------------|-----|
| Outcome: | 4 | Question No: | 102 |
| Program: | 4.1 | | |
| Division/Agency: | Water Governance Division | | |
| Topic: | Water consultancies | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator BIRMINGHAM asked:

Please detail all consultancies or studies undertaken on water infrastructure funding or projects since November 2007, who undertook the consultancy or study, the cost of it, any partners in the study, who owns the study & whether the findings have been publicly released.

Answer:

The details sought are provided at [Attachment A](#).

Question on Notice 102 - Attachment A

Details of consultancies or studies undertaken on water infrastructure funding or projects since November 2007 to 31 August 2010 by the Department of Sustainability, Environment, Water, Population and Communities (formerly the Department of the Environment, Water, Heritage and the Arts)

| Brief Description of the Consultancy or Study | Name of the Consultant | Name of the owner of the consultancy or study | Name of any partner in the consultancy or study | Value of the Contract (rounded to whole dollar) | Have findings been publicly released? |
|---|------------------------------|---|---|---|---------------------------------------|
| Hotspots desktop analysis and design: Jemalong Irrigation | GHD Pty Ltd | Commonwealth | - | \$54,416 | N/A |
| Hotspots On-ground Assessment - Jemalong Irrigation | E.A. Systems Pty Ltd | Commonwealth | - | \$94,604 | N/A |
| Trangie Nevertire Irrigation Scheme Hotspots Assessment | GHD Pty Ltd | Commonwealth | - | \$175,830 | N/A |
| Murray Irrigation Ltd Hotspots Desktop Analysis and Design | Sinclair Knight Merz Pty Ltd | Commonwealth | - | \$113,296 | N/A |
| Tenandra Irrigation Scheme Hotspots Desktop Analysis and Design | Hyder Consulting Pty Ltd | Commonwealth | - | \$49,654 | N/A |
| Murrumbidgee Irrigation Hotspots Desktop Analysis and Design | Sinclair Knight Merz Pty Ltd | Commonwealth | - | \$106,617 | N/A |
| West Courigan Private Irrigation District Hotspots Desktop Analysis and Design | Sinclair Knight Merz Pty Ltd | Commonwealth | - | \$55,132 | N/A |
| Marthaguy Irrigation Scheme Hotspots Desktop Analysis and Design | Hyder Consulting Pty Ltd | Commonwealth | - | \$42,737 | N/A |
| Narromine Private Irrigation District Hotspots Desktop Analysis and Design | Sinclair Knight Merz Pty Ltd | Commonwealth | - | \$79,173 | N/A |
| Narromine Private Irrigation District Hotspots On-Ground Assessment | Sinclair Knight Merz Pty Ltd | Commonwealth | - | \$109,328 | N/A |
| CSIRO development of the Technical Manual for Assessing Water Losses in Piped and Channel Irrigation Systems and pilot projects | CSIRO | CSIRO | - | \$1,336,781 | Yes |
| CSIRO Technical Support Contract | CSIRO | Commonwealth | - | \$600,000 | N/A |
| Provide assistance with the due diligence assessment of the NSW State Priority Project - Metering Pilot Project | Marsden Jacob Associates | Commonwealth | - | \$70,114 | N/A |
| Provide assistance with the due diligence assessment of the NSW State Priority Project - Metering Business Case | Hyder Consulting Pty Ltd | Commonwealth | - | \$72,329 | N/A |
| Provide assistance with the due diligence assessment of the NSW State Priority Project - Irrigated Farm Modernisation Business Case | KPMG | Commonwealth | - | \$71,000 | N/A |

| Brief Description of the Consultancy or Study | Name of the Consultant | Name of the owner of the consultancy or study | Name of any partner in the consultancy or study | Value of the Contract (rounded to whole dollar) | Have findings been publicly released? |
|--|----------------------------------|--|--|--|--|
| Provide assistance with the due diligence assessment of the NSW State Priority Project - Basin Pipe Business Case | Marsden Jacob Associates | Commonwealth | - | \$94,600 | N/A |
| Provide assistance with the due diligence assessment of the NSW State Priority Project - Healthy Floodplains Business Case | KPMG | Commonwealth | - | \$50,000 | N/A |
| Services of Expert Advice on the Private Irrigators Infrastructure Operators Program Assessment Panel | Ammerdown Environmental Services | Commonwealth | - | \$27,300 | N/A |
| Services to assist with the evaluation/due diligence of the Private Irrigators Infrastructure Operators Program proposals/applications | URS Australia Pty Ltd | Commonwealth | - | \$81,332 | N/A |
| Toorale Infrastructure Audit and Decommissioning Plan (including presentation of results at Steering Committee Meeting) | Aurecon | Commonwealth | - | \$186,579 | N/A |
| Toorale Due Diligence on estimated cost of Environmental Assessments for Decommissioning | Aurecon | Commonwealth | - | \$5,285 | N/A |
| Due Diligence consultancy for Clarence Colliery Water Transfer System upgrade | SKM | Commonwealth | - | \$12,342 | N/A |
| Broken Hill Groundwater Resource Assessment | Geoscience Australia | Commonwealth | - | \$100,000 | Yes |
| Broken Hill Managed Aquifer Recharge Project - Phase 1 | Geoscience Australia | Commonwealth | - | \$471,619 | N/A |
| Broken Hill Managed Aquifer Recharge Project - Phase 2 | Geoscience Australia | Commonwealth | - | \$15,773,824 | N/A |
| CSIRO Modelling Audit | CSIRO | Commonwealth | - | \$37,909 | N/A |
| Darling River Water Savings Project Part B Study | Sinclair Knight Mertz | Commonwealth / NSW Government | NSW Government | \$571,939 | N/A |
| Due Diligence Services for the Gascoyne Irrigation Pipeline Project | Hyder Consulting Pty Ltd | Commonwealth | - | \$19,812 | N/A |
| Due diligence services - Meander Dam | KPMG | Commonwealth | - | \$85,050 | N/A |
| Due diligence services for supporting more efficient irrigation in Tasmania election commitment | Hyder Consulting Pty Ltd | Commonwealth | - | \$56,177 | N/A |
| Due Diligence Services - SunWater Modernisation Infrastructure Project | Hyder Consulting Pty Ltd | Commonwealth | - | \$87,213 | N/A |
| Due Diligence Services – On Farm Water Use Efficiency Project | Hyder Consulting Pty Ltd | Commonwealth | - | \$32,480 | N/A |

| Brief Description of the Consultancy or Study | Name of the Consultant | Name of the owner of the consultancy or study | Name of any partner in the consultancy or study | Value of the Contract (rounded to whole dollar) | Have findings been publicly released? |
|---|--------------------------------------|--|--|--|--|
| Development of Water Transfer Deed, Works Agreement and Project Schedule for the On Farm Water Use Efficiency Project | Australian Government Solicitor | Commonwealth | - | \$54,997 | N/A |
| Review the financial position of applicants (delivery partners) to the On-Farm Irrigation Efficiency Program (Round 1) | KPMG | Commonwealth | - | \$7,150 | N/A |
| Technical Assessment of On Farm Irrigation Efficiency projects for Round 1 | GHD Pty Ltd | Commonwealth | - | \$168,166 | N/A |
| Technical Assessment of On Farm Irrigation Efficiency (Pilot Projects) | GHD Pty Ltd | Commonwealth | - | \$177,060 | N/A |
| Due diligence advice regarding the On-Farm Irrigation Efficiency Program (Pilot projects) programme stage 2 proposals | Evans & Peck Pty Ltd | Commonwealth | - | \$25,000 | N/A |
| Technical advice regarding On-farm irrigation efficiency (pilot projects) programme Stage 2 proposals | GHD Pty Ltd | Commonwealth | - | \$52,140 | N/A |
| A national needs and gaps analysis of on farm irrigation tools to inform the development and delivery of the on-farm irrigation efficiency program of the National Plan for Water Security (pilot projects) | Rural Plan Pty Ltd | Commonwealth | - | \$79,190 | N/A |
| Membership on the On-farm Irrigation Efficiency Program assessment panel | Pentland Farming Pty Ltd | Commonwealth | - | \$55,000 | N/A |
| Membership on the On-farm Irrigation Efficiency Program assessment panel | KPMG | Commonwealth | - | \$9,900 | N/A |
| Due diligence on early works and remaining business case, \$200m enduring response for the Coorong and Lower Lakes State Priority Project | Marsden Jacob Associates P/L | Commonwealth | - | \$107,840 | N/A |
| Expert advice on the long term plan and business case, \$200m enduring response for the Coorong and Lower Lakes State Priority Project | CSIRO | Commonwealth | - | \$27,027 | N/A |
| Expert advice on the long term plan and business case, \$200m enduring response for the Coorong and Lower Lakes State Priority Project | Adelaide Research and Innovation P/L | Commonwealth | - | \$33,000 | N/A |

| Brief Description of the Consultancy or Study | Name of the Consultant | Name of the owner of the consultancy or study | Name of any partner in the consultancy or study | Value of the Contract (rounded to whole dollar) | Have findings been publicly released? |
|---|------------------------------------|--|--|--|--|
| Expert advice on the long term plan and business case, \$200m enduring response for the Coorong and Lower Lakes State Priority Project | Donald Blackmore | Commonwealth | - | \$37,500 | N/A |
| Expert advice on the long term plan and business case, \$200m enduring response for the Coorong and Lower Lakes State Priority Project | eWater Cooperative Research Centre | Commonwealth | - | \$26,318 | N/A |
| Expert advice on the long term plan and business case, \$200m enduring response for the Coorong and Lower Lakes State Priority Project | University of Adelaide | Commonwealth | - | \$21,120 | N/A |
| Expert advice on the long term plan and business case, \$200m enduring response for the Coorong and Lower Lakes State Priority Project | UNSW Global P/L | Commonwealth | - | \$42,900 | N/A |
| Review of the design, performance, installation and operation of water distribution systems constructed under Great Artesian Basin Sustainability Initiative and related programs | Aurecon Pty Ltd | Commonwealth | Strategic Focus Subcommittee of the Great Artesian Basin Coordinating Committee (Steering Committee for project) | \$188,985 | No |
| Independent advice to support due diligence assessment for the Sunraysia Modernisation Project | KPMG | Commonwealth | - | \$73,009 | N/A |
| Independent advice to support due diligence assessment of revised business case for Sunraysia Modernisation Project | KPMG | Commonwealth | - | \$35,840 | N/A |
| Independent advice to support due diligence assessment of Stage 2 of the Northern Victoria Irrigation Renewal Project | Hyder Consulting | Commonwealth | - | \$349,521 | N/A |
| Due Diligence Advice for the South Australian Riverine Recovery Project (Priority On-ground Works Component) | Hyder Consulting PL | Commonwealth | - | \$67,460 | N/A |
| Due Diligence for the Lower Lakes Integrated Pipeline Project (Irrigation Water Component) | Marsden Jacob Assoc | Commonwealth | - | \$107,396 | N/A |
| Due Diligence for the Lower Lakes Integrated Pipeline Project (Potable Water Component) | Marsden Jacob Assoc | Commonwealth | - | \$100,171 | N/A |

| Brief Description of the Consultancy or Study | Name of the Consultant | Name of the owner of the consultancy or study | Name of any partner in the consultancy or study | Value of the Contract (rounded to whole dollar) | Have findings been publicly released? |
|---|---------------------------------------|--|--|--|--|
| Due Diligence for the Lower Lakes Integrated Pipeline Project (Point Sturt and Hindmarsh Island Potable Pipeline Component) | Marsden Jacob Assoc | Commonwealth | - | \$43,164 | N/A |
| Independent member on Assessment Panel for the competitive grant element of the National Water Security Plan for Cities and Towns. | Parsons Brinkerhoff Australia Pty Ltd | Commonwealth | - | \$21,000 | N/A |
| Expert advice for the assessment of <i>National Urban Water & Desalination Plan</i> stormwater harvesting and reuse grants - round 1. | Marsden Jacobs Associates | Commonwealth | - | \$80,000 | N/A |
| Expert advice for the assessment of <i>National Urban Water & Desalination Plan</i> stormwater harvesting and reuse grants - round 2. | Marsden Jacobs Associates | Commonwealth | - | \$147,000 | N/A |
| Expert advice for the assessment of <i>National Urban Water & Desalination Plan</i> stormwater harvesting and reuse grants - round 2. | Evans & Peck Pty Ltd | Commonwealth | - | \$160,000 | N/A |
| Expert advice for the assessment of <i>National Urban Water & Desalination Plan</i> stormwater harvesting and reuse grants - round 2. | GHD Pty Ltd | Commonwealth | - | \$48,563 | N/A |
| Expert advice for the assessment of National Urban Water & Desalination Plan major projects grants. | GHD Pty Ltd | Commonwealth | - | \$30,762 | N/A |
| Expert advice for the assessment of National Urban Water & Desalination Plan major projects grants. | GHD Pty Ltd | Commonwealth | - | \$1,247 | N/A |
| Expert advice for the assessment of National Urban Water & Desalination Plan major projects grants. | KPMG | Commonwealth | - | \$16,850 | N/A |
| Expert advice for the assessment of National Urban Water & Desalination Plan major projects grants. | KPMG | Commonwealth | - | \$1,800 | N/A |
| Due diligence advice for the South Australia Riverine Recovery Project | Marsden Jacob Associates P/L | Commonwealth | - | \$91,905 | N/A |

Note - N/A in the table above means "not applicable" as the consultancy or study was not undertaken for the purpose of public release.

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Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

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| Outcome: | 4 | Question No: | 103 |
| Program: | 4.1 | | |
| Division/Agency: | Water Governance Division | | |
| Topic: | Water – Victoria | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senators JOYCE and BIRMINGHAM asked:

How much of the allocation has the Commonwealth used of the water held for them in Victoria in the last 12 months and what was the water used for?

Answer:

In the southern connected Basin in 2009-10, 129.7 GL of water was credited to Commonwealth accounts, of which 96.5 GL was delivered to environmental assets and 33.2 GL carried over.

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Environment, Water, Heritage and the Arts portfolio

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| Outcome: | 4 | Question No: | 104 |
| Program: | 4.1 | | |
| Division/Agency: | Water Governance Division | | |
| Topic: | Water – Victoria | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senators JOYCE and BIRMINGHAM asked:

Was any of the water held within Victoria for the Commonwealth transferred for temporary use into NSW or any other State?

- a. If so When?
- b. If so, how many Gigalitres (GLs)?
- c. Who authorised this transfer?
- d. What was the water used for?

Answers:

During 2009-10, allocated water was transferred from Victorian accounts to South Australian and New South Wales accounts both for use and to manage annual carryover arrangements.

- a. Between November 2009 and April 2010.
- b. 57.1 GL.
- c. The Commonwealth Environmental Water Holder.
- d. The water was used to protect and restore wetlands and other environmental assets of the Murray-Darling Basin.

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Environment, Water, Heritage and the Arts portfolio

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| Outcome: | 4 | Question No: | 105 |
| Program: | 4.1 | | |
| Division/Agency: | Water Governance Division | | |
| Topic: | Water – Victoria | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senators JOYCE and BIRMINGHAM asked:

Has the Commonwealth ever overdrawn its water allocation account in Victoria? (i.e. water held in Victoria in their account)

- a. If so, by how many GL's
- b. If so, when?
- c. If so, why?

Answer:

In April 2010 the relevant state agencies incorrectly allocated water to a number of customer accounts, including approximately 3 GL to the Commonwealth. As a result of this error the Commonwealth accounts were temporarily overdrawn.

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| Outcome: | 4 | Question No: | 106 |
| Program: | 4.1 | | |
| Division/Agency: | Water Governance Division | | |
| Topic: | Water – Victorian Allocations | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senators JOYCE and BIRMINGHAM asked:

Who or what agency is responsible for managing this water account in Victoria for the Commonwealth?

Answer:

The Victorian Department of Sustainability and Environment, together with Goulburn-Murray Water and Lower Murray Water.

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| Outcome: | 4 | Question No: | 107 |
| Program: | 4.1 | | |
| Division/Agency: | Water Governance Division | | |
| Topic: | National Urban Water and Desalination Plan | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

1. What expenditure has been made from the National Urban Water and Desalination Plan? And what expenditure is committed against rebates that have been received by not yet processed?
2. How much funding is left available in the National Urban Water and Desalination Plan which has not already been allocated to specific projects?

Please provide information on the details of those specific projects for which funds have been allocated but not spent.

Answer:

1. As at 30 June 2010, the total amount of expenditure made under the National Urban Water and Desalination Plan was \$111.8 million. There are no rebates available under the National Urban Water and Desalination Plan.
2. As at 30 June 2010, funding of \$360.5 million had not been allocated to specific projects under the National Urban Water and Desalination Plan.

A list of specific projects for which funds have been allocated is at [Attachment A](#).

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Attachment A

**Funding allocated under the National Urban Water and Desalination Plan
(as at 31 August 2010)**

| Project Title | Australian Government Funding Allocation (\$m) |
|--|---|
| 2007 Election Commitment Projects | |
| Glenelg to Adelaide Park Lands Recycled Water Project | 30.2 |
| Adelaide Desalination Plant | 328.0 |
| Geelong Shell Water Recycling Project | 20.0 |
| National Centre of Excellence in Desalination | 20.0 |
| National Centre of Excellence in Water Recycling | 20.0 |
| Stormwater Harvesting and Reuse Projects | |
| Ballarat City Council: Harnessing Ballarat's Stormwater | 2.4 |
| City of Greater Geelong: Stormwater Harvesting - Geelong's Plan | 2.8 |
| City of Unley: Stormwater Harvesting and Reuse | 2.5 |
| SA Department of Water, Land and Biodiversity Conservation for seven projects | 63.8 |
| South Bank Corporation: South Bank Stormwater Harvesting and Reuse Centre | 3.3 |
| Yarra Valley Water: Kalkallo Stormwater Harvesting and Reuse Project | 9.7 |
| Melbourne Water: Clayton South Retarding Basin & Namatjira Park Stormwater Reuse Project | 2.4 |
| City of Sydney: Alexandra Canal Catchment Stormwater Reuse Scheme | 7.6 |
| Dubbo City Council: Apex Oval/East Dubbo Sporting Complex - Stormwater Harvesting at a Regional Sporting Venue | 4.5 |
| Blacktown City Council: Blacktown and Penrith Stormwater Harvesting and Managed Aquifer Recharge Scheme | 4.2 |
| Manly Golf Club: Manly Golf Course Stormwater Harvesting and Reuse | 2.1 |
| Gosford City Council: Terrigal Central Business District and Hylton Moore Park Stormwater Harvesting Project | 2.0 |
| Urban Land Development Authority: Fitzgibbon Potable Roofwater Project | 4.1 |
| Urban Land Development Authority: Fitzgibbon Stormwater Harvesting Project | 3.1 |
| Brisbane City Council: Stormwater Harvesting and Reuse Scheme | 4.3 |
| Government of South Australia (Marion City Council): Oaklands Park Stormwater Scheme | 3.7 |
| Glenorchy City Council: Moonah Stormwater Harvesting and Industrial Reuse Scheme | 9.2 |
| City of Brimbank Alternative Water Project | 4.0 |
| City of Hobson's Bay Water Security Project | 3.1 |
| City of Maribyrnong Stormwater Harvesting Project | 3.2 |

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|--|--------------|
| Yarra Valley Water: Coburg Principal Activity Centre Stormwater Harvesting and Reuse Project | 6.0 |
| Victorian Urban Development Authority (VicUrban): Docklands Stormwater Harvesting and Reuse Project | 6.4 |
| Melbourne City Council: Eastern Melbourne Parks and Gardens Stormwater Reuse Scheme | 4.9 |
| Melbourne and Olympic Parks Trust: Melbourne Park Stormwater Harvesting Scheme | 3.0 |
| Manningham City Council: Melbourne Water Security through Stormwater Harvesting | 8.0 |
| Mildura Rural City Council: Stormwater Harvesting in Regional Communities | 2.5 |
| Department of Innovation Industry & Regional Development (DIIRD): The New Melbourne Wholesale Market Stormwater harvesting and reuse project | 4.7 |
| Royal Botanic Gardens Board – Melbourne: Working Wetlands | 2.0 |
| WA Land Authority (LandCorp): Alkimos Eglinton Integrated Water Management Project | 19.5 |
| Major Projects | |
| Southern Seawater Desalination Plant | 18.4 |
| Lower Hunter Recycled Water Initiative | 8.8 |
| City West Water: West Werribee Dual Supply project | 11.4 |
| Other Projects | |
| Extending Water Recycling at Torquay | 10.5 |
| WA Water Corporation: Perth Residential Water Efficiency Project | 2.4 |
| Expanding Stormwater Harvesting & Reuse – Additional Funding Round | 100.0 |
| TOTAL | 768.7 |

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| Outcome: | 4 | Question No: | 109 |
| Program: | 4.1 | | |
| Division/Agency: | Water Reform Division | | |
| Topic: | Water trade | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

When will the Federal Government ensure that the water losses involved in trading water are taken into account in the water price?

Answer:

The issue of transmission losses has been considered by the Australian Competition and Consumer Commission (ACCC) in the development of advice to the Murray-Darling Basin Authority (MDBA) on Basin Plan water trading rules.

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| Outcome: | 4 | Question No: | 110 |
| Program: | 4.1 | | |
| Division/Agency: | Water Reform Division | | |
| Topic: | Ministerial visits to the MBD | | |
| Hansard Page ECA: | Written Question on Notice | | |

Senator JOYCE asked:

Can you please provide details of visits that Minister Wong has made to the irrigation districts of the Murray Darling Basin over the past financial year? Please provide information on the location and the length of the visits.

Answer:

From Departmental records, Senator the Hon Penny Wong, Minister for Climate Change, Energy Efficiency and Water, visited the following towns in the Murray-Darling Basin as part of her portfolio responsibilities for water in the 2009-10 financial year:

September 2009:

- Griffith
- Deniliquin
- Shepparton
- Mildura
- Renmark
- Hattah Lakes

November 2009

- Langhorne Creek

March 2010

- Lake Cargelligo

April 2010

- St George
- Dubbo
- Coleambally
- Swan Hill

June 2010

- Milang