

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

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Supplementary Budget Estimates, October 2009

Outcome:	4	Question No:	65
Program:	4.1		
Division/Agency:	Water Governance Division		
Topic:	Booligal Station - Value		
Hansard Page ECA:	31(20/10)		

Senator HEFFERNAN asked:

Ms Kruk—You asked the question about what due diligence processes have been undertaken. Presumably you mean assessment processes that deal with the conservation values of the area.

Senator HEFFERNAN—And also it goes to the value.

Ms Kruk—... To answer your question: yes, there was a due diligence process undertaken. I do not have the material in front of me in relation to the negotiation of the various prices. It went through both the New South Wales system and the Commonwealth system as to whether it was value for money.

Senator HEFFERNAN—Could we have access to that?

Ms Kruk—Yes.

Answers:

The valuation report was prepared for the NSW Government and provided to the Commonwealth in confidence. The NSW Government has requested the report not be released because it may impact adversely on future property purchases, and contain information property owners may not want released. The valuation identifies sales of comparable properties in the area and the purchase price for Booligal Station was within this range.

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Outcome:	4	Question No:	106
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Water Buy Back delays – list of irrigators		
Hansard Page ECA:	126 (20/10)		

Senator FIELDING asked:

Senator FIELDING—...The reason I want the numbers is this, Minister: did one of your staff seek a list of irrigators affected by the water buyback delays? What was reported in the paper was that one of your staff sought a list of irrigators affected by the water buyback delays.

Senator Wong—I am not sure which list you are referring to.

Senator FIELDING—I am trying to work it out myself.

Senator Wong—You say ‘the list’. I do not know which list you are talking about.

CHAIR—Do you want to provide that to the minister to read?

...

Senator FIELDING—How many were on the list? I do not want to know their names, but do you know how many it was?

Senator Wong—I would have to take that on notice.

CHAIR—Senator Fielding, we need to move on.

Senator Wong—I am advised that no list was in fact provided.

Answers:

In August 2009 a journalist from the Sunraysia Daily contacted the Minister’s office regarding alleged delays being experienced by two sellers of water entitlements to the Commonwealth. A member of the Minister’s staff responded to the journalist by offering to ask the Department of the Environment, Water, Heritage and the Arts (the Department) to follow up on the trades if the journalist provided names of the sellers.

No such list of names was provided by the journalist to either the Department or the Minister’s office.

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Outcome:	4	Question No:	107
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Water Buy backs – Sunraysia		
Hansard Page ECA:	126 (20/10)		

Senator FIELDING asked:

Senator FIELDING—The question was: how many irrigators have been paid for their water and how many are still waiting?

...

Senator FIELDING—Correct, for the whole lot and the Sunraysia region.

Senator Wong—We might have to take that on notice. I do not recall getting information about numbers. The information that we put out publicly and that we focus on is the gegalitre.

Senator FIELDING—I suppose I am not just after what is public. You must have information on how many irrigators have applied and how many have been—

Senator Wong—Could we take that on notice?

...

Senator Wong—I will take that on notice and consider whether we want to go through the process of identifying how many irrigators across the entire Murray-Darling—

Senator FIELDING—Not their names, but their numbers.

Senator Wong—If I can finish, Senator—how many irrigators across the Murray-Darling Basin we have had contracts with. Do you have a particular region which is of interest to you?

Senator FIELDING—I was trying to get a perspective across the Sunraysia region but I also wanted the total so I could get an understanding of the proportion.

Senator Wong—Sunraysia?

Senator FIELDING—Yes. Actually both of those: the total but also just for Sunraysia—those that have been paid and how many have been accepted but are still waiting for contracts.

Answers:

As at 5 February 2010, the Department was pursuing 2189 water entitlement purchases from the 2008-09 tender. As at 5 February, there had been 1421 settlements.

As at 5 February 2010, the Department was pursuing 259 water entitlement purchases from the 2008-09 tender from the Sunraysia region of Victoria, with 196 of these already settled. The statistics relating to the number of trades in Sunraysia are based on information provided by the seller indicating where the water was last used.

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Outcome:	4	Question No:	108
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	NVIRP stage 2 – Letter to Victorian Minister		
Hansard Page ECA:	130 (20/10)		

Senator BIRMINGHAM asked:

Senator BIRMINGHAM—Minister, will you write further to the Victorian water minister and ask him to decouple these regulations to make it possible for the regulations relating to stage 2 INVIRP to actually pass the parliament?

Senator Wong—I have answered this question.

Senator BIRMINGHAM—Will you table the letter you have written to the Victorian minister?

Senator Wong—I will consider that.

Answers:

This matter was dealt with in the Senate Chamber, see Hansard for Monday, 26 October 2009 page 7013, Notice by Senator BIRMINGHAM and Tuesday, 27 October 2009 page 7261-7262, NORTHERN VICTORIA IRRIGATION RENEWAL PROJECT.

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Outcome:	4	Question No:	109
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Blocking the Lachlan River		
Hansard Page ECA:	132 (20/10)		

Senator HEFFERNAN—They should have been sensible enough to have had an environmental impact study. There is 500 kilometres of river. We have restocked the river. The fish are just up to the legal size. The carp have gone out of the system. The Lower Lachlan below Booligal for all intents and purposes now has no ponds. It is just going to be like a gutter outside the building here. It is going to drain and, if you do not do something, they are all going to be dead in the middle of the stream. The carp have filled all the holes in because they have dug the banks. There are some weirs above Booligal and there is one at Booligal. So you have a couple of hundred river kilometres where the fish, which are beautifully restocked—we have got rid of the carp—are going to die. I am amazed, disappointed and distressed that a responsible, democratically elected government would decide to put a block in a river. At the stroke of a pen they said to the bottom half of the river: ‘You’re not going to have critical human needs water. We don’t know what we’re going to do about the fish.’ They do not even know how many homesteads are affected. A lot of homesteads do not have bore supply because there is no groundwater, and if there is it is a thousand feet down and saline. They have done no studies on that. They have had no consultation. I think they are breaking the law. Above the block that is going to happen at Condobolin in a couple of weeks time they are still going to allow extractions for irrigation.

Senator Wong—I will get some advice about what matters the Commonwealth could look at.

Senator HEFFERNAN—Above the block they are still going to allow some irrigation extraction. They have to supply Cowra and Forbes and they are going to try and slug water down to Lake Cargelligo, but you would have thought that they would have a contingency plan to get the government and the Commonwealth perhaps to assist with the cartage of water. This could go on for God knows how long. In Booligal they are going to put a bore down in some local little aquifer and everyone will have to pull up with their billy and fill up because it is not going to be reticulated. They do not even know how many homesteads or how many livestock are affected. Blokes are having to take really deadly decisions. At the same time we see the stupidity of planning on those lower creek systems. The Willandra Creek goes off to Ivanhoe and the Merrowie Creek goes off to—

Senator Wong—We will look at it.

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Outcome: 4 **Question No:** 110
Program: 4.1
Division/Agency: Water Efficiency Division
Topic: Off Farm Infrastructure - spending
Hansard Page ECA: Written Question on Notice

Senator BIRMINGHAM asked:

1. How much has the Government spent on off-farm infrastructure projects since its election?
2. On what projects or programs has expenditure been made?
3. What targets for off-farm infrastructure projects (in value and volume) does the Government have for each remaining year of the program, including this one?
4. What water saving/infrastructure projects were committed to or identified by the Intergovernmental Agreement on Murray-Darling Basin Reform signed by Prime Minister Rudd and First Ministers of Murray-Darling Basin states and territories in July 2008?
5. What progress has been made on each of these projects? What funds have actually been expended on each of them?

Answer/s:

1. The Government's water reform package is 'Water for the Future'. The total expenditure under 'Water for the Future', up to 30 April 2010, on rural off-farm infrastructure is \$496.2 million.
2. The following table shows the amount of expenditure, up to 30 April 2010, on rural off-farm infrastructure under the relevant 'Water for the Future' programs.

	Off- Farm Spend \$m
Water for the Future Program	
Sustainable Rural Water Use and Infrastructure Program	296.7
Water Smart Australia	148.3
The Living Murray Initiative	51.2
Total expenditure	496.2

3. Projects providing upgrades to off-farm infrastructure are subject to rigorous assessment prior to funding being agreed for them. This applies whether they are State Priority Projects or applications directly to the Commonwealth under competitive grants programs.

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4. The State Priority infrastructure projects committed under the Murray-Darling Basin Reform Intergovernmental Agreement (MDB IGA) are shown in Attachment A.
5. The status to 30 April 2010 for each of the State Priority Projects that have infrastructure elements under the MDB IGA are included at Attachment A.

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Attachment A to QoN 110

**Water Infrastructure Projects Agreed in the Murray Darling Basin Reform
Intergovernmental Agreement Jul 2008**

State	Project Title	Maximum Funding (\$m)	Status
South Australia	Integrated Pipelines	120	Construction of the three pipelines is now complete.
	Riverine Recovery	100	A business case for some early on ground priority works has been received and is under due diligence. The full business case is expected in June 2010.
	Private Irrigation Infrastructure Program SA	110	Program closed 8 April and applications are under assessment.
	Lower Lakes Long Term Management Plan (infrastructure elements TBC in the business case)	200	Business Case expected end May 2010. Current infrastructure spend is for the Goolwa Water Level Management project.
Victoria	NVIRP Full Stage 2	1000	Business Case received and under diligence assessment.
	Sunraysia Modernisation	103	Business Case received and under diligence assessment.
New South Wales	Private Irrigation Infrastructure Operators Program	650	Round 1 applications announced 19 March 2010.
	Irrigation Farm Modernisation (North and South)	300	Business Case due end June 2010. Border Rivers-Gwydir pilot project underway.
	Basin Pipe (North and South)	137	Business Case due end June 2010.
	NSW Water Metering Scheme	221	Business Case due end June 2010. Metering pilot project underway.
	Healthy Floodplains	50	Business Case due end June 2010.
Australian Capital Territory	Salt Reduction Strategy	85	Business Case due end June 2010.
Queensland	On-Farm Water Use Efficiency Project	115	Funding announced in April for Phase 1.
	SunWater infrastructure modernisation	40	Project status under review with Queensland post due diligence.

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Outcome:	4	Question No:	111
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	On-farm infrastructure - spending		
Hansard Page ECA:	Written Question on Notice		

Senator BIRMINGHAM asked:

1. How much has the Government spent on on-farm infrastructure projects since its election?
2. On what projects or programs has expenditure been made?
3. What targets for on-farm infrastructure projects (in value and volume) does the Government have for each remaining year of the program, including this one?

Answer/s:

1. The Government's water reform package is 'Water for the Future'. The total 'Water for the Future' expenditure for on-farm infrastructure, up to 30 April 2010, is \$41 million.
2. On-farm infrastructure expenditure under 'Water for the Future' to date has occurred under the \$5.8 billion Sustainable Rural Water Use and Infrastructure Program.
3. In May 2009, the Government allocated \$300 million under 'Water for the Future' (from the Sustainable Rural Water Use and Infrastructure Program), specifically for grants to irrigators in the Lachlan River Catchment and southern connected system of the Murray-Darling Basin to modernise their on-farm irrigation infrastructure and return water to the environment. In March 2010, in-principle funding of \$100 million was announced under Round One of the On-Farm Irrigation Efficiency Program, leaving \$200 million to be shared across the two remaining rounds. On-farm projects are also being developed in NSW and Queensland which have funding of up to \$300m and \$115m respectively as part of the State Priority Projects contained in the Murray-Darling Basin Reform Intergovernmental Agreement signed in July 2008. The Small Block Irrigators Exit Grant program, for the removal of irrigation infrastructure on farm, is included as an infrastructure program. This program is on target and will be nearing completion by the end of this financial year.

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Answer

1. The decision not to provide flows in the Lachlan River below Condobolin was taken by the New South Wales Government.
2. The NSW Government has advised it is providing an assistance package including subsidies to landholders to aid in the provision of water for stock and domestic purposes. The package includes:
 - \$2.1 million for emergency bores across the catchment including the townships of Forbes, Condobolin, Lake Cargelligo, Ivanhoe, Euabalong, Euabalong West, Booligal and Oxley;
 - \$250,000 to extend the 50 per cent of transport subsidy for domestic water transport to all rural landowners along the Lachlan below Condobolin; and
 - Deferral of general security fixed water charges for six months, which is to be revisited in the new year in light of dam storage levels and rainfall.
3. The NSW Office of Water has advised the Department of the Environment, Water, Heritage and the Arts (DEWHA) that NSW is regularly monitoring water quality and flows in the Lachlan below Condobolin, and that NSW Fisheries is undertaking a study on fish habitat and refugia in the lower Lachlan.

The NSW Office of Water has considered the application of the *Environment Protection and Biodiversity Conservation Act (1999)* (EPBC Act) to the restriction of flows in the Lachlan River. The EPBC Act allows for exemptions from approval for activities that are lawful continuations of land use that lawfully started before the EPBC Act came into operation. The NSW Office of Water has determined that the alteration of flows (including cessation) represented an existing and continuing land use.

With respect to the proposals to temporarily translocate fish species, DEWHA has been advised that NSW Fisheries has prepared a comprehensive Fish Management Strategy, including recommendations for management of nationally listed threatened species in 'low flow' circumstances. The Fish Management Strategy is to be provided to DEWHA for information.

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Environment, Water, Heritage and the Arts portfolio

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Outcome:	4	Question No:	112
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Water entitlements - purchases		
Hansard Page ECA:	Written Question on Notice		

Senator BIRMINGHAM asked:

1. How much has the Government spent purchasing water entitlements since its election?
2. What targets for water purchases (in value and volume) does the Government have for each remaining year of the program, including this one?
3. Given the restrictions placed on purchases by NSW and Victoria, what is the maximum volume of entitlements the Government could purchase from each of those states?

Answers:

1. The current Government has spent \$744.4 million purchasing water entitlements up to 31 October 2009.
2. Value targets are as set out in the Appropriations Act for this program for the current year and the forward estimates period. There are no volume targets.
3. Under the Memorandum of Understanding with New South Wales, the Australian Government has agreed to limit purchases to 890 gigalitres (GL) of general security entitlements (or equivalent) over five years starting in 2008–09.

Under 'Water for the Environment' the Victorian Government has agreed to relax the four per cent rule to provide 60 GL of Commonwealth environmental water purchases outside of the annual four per cent limit on out of region trade. This arrangement will be for five years starting in 2008-09. This is expected to provide for at least 460 GL of environmental water purchases from Victoria over the five years from 2008-09.

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Environment, Water, Heritage and the Arts portfolio

Supplementary Budget Estimates, October 2009

Outcome:	4	Question No:	113
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Farm Irrigation Infrastructure program		
Hansard Page ECA:	Written Question on Notice		

Senators BIRMINGHAM and MACDONALD asked:

Budget Paper 2 outlined a commitment of \$300 million for a new on-farm irrigation efficiency program from within the \$12.9 billion Water for the Future plan: *this program will invest in projects in the southern Murray-Darling Basin that deliver more efficient irrigation systems, secure long-term economic growth for irrigation communities and deliver substantial and lasting improvements to the environment.*

1. Why has the Government only provided irrigators with a six week window to apply for funding under this program?
2. Why was no advance notice given to irrigators informing them as to when the application guidelines would become available?
3. Why is there a requirement that irrigators must hand over water entitlements to the Federal Government before any on-farm work is able to commence?
4. Will any funding that is not allocated towards improving on-farm infrastructure be used to purchase water entitlements?
5. What consultation occurred between the Federal Government and Murray Darling Basin irrigator bodies to determine the guidelines for this program?
6. (If none) Why weren't any groups consulted?
7. How many projects does the Government expect to fund through this funding?
8. Will there be further funding be made available under this program for on-farm irrigation works?

Answers:

1. Irrigators do not apply directly to the program. Applications are submitted by delivery partners in a two stage application process that was developed by the Department of the Environment, Water, Heritage and the Arts (the Department) following extensive stakeholder consultations during June and July 2009. In the first stage of the application process delivery partners have six weeks to complete and submit an application form. The first stage application form requires delivery partners to provide sufficient information for a decision to be made by the Minister for Climate Change and Water whether or not to approve an application in-principle but does not require details about individual irrigator sub-projects.

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In the second stage of the application process, delivery partners who have received in-principle approval then have 45 days to submit a draft project plan to the Department and up to a further 45 days to finalise this project plan. The final project plan will contain detailed information about all irrigator projects to be funded. A final decision on whether to fund part or all of the project is made at this point. The total application period is up to 122 days.

2. In June and July 2009, the Department held targeted consultation meetings with key industry stakeholders on the draft guidelines for the program in Barmera, Adelaide, Melbourne, Shepparton, Sydney, Echuca and Griffith. A joint Forum with the National Farmers Federation was also held in Swan Hill. Stakeholders were advised of the likely time of the program launch during these consultations. The Department's website also provided information about progress with the implementation of the program after it was announced by the Minister for Climate Change and Water in May 2009 and following stakeholder consultations on the draft guidelines in June and July. This information stated the program was expected to commence in early 2009/2010, subject to the guidelines being finalised.

When the Guidelines were launched in early October the program was widely advertised in national and regional newspapers in conjunction with the call for applications. The advertisements were repeated in the same newspapers two weeks after the Guidelines were launched.

3. The program objectives are based on water savings being shared between the Commonwealth and irrigator, and the irrigator owning the infrastructure upgrades on-farm. Providing water up-front is the commitment from the irrigator to the program given the significant grant funding that is received by the irrigator in return.
4. All program funds will be spent in accordance with the Guidelines. No funds from this program are set aside for direct water purchase.
5. Please see response to question 2 above.
6. Please see response to question 2 above.
7. Applications for round 1 of the program closed on 17 November 2009 and the number of projects to be funded in this round will be a decision for the Minister for Climate Change and Water.
8. No. The funding for the program is \$300 million over four years commencing in 2009-10. In addition to the above program the Australian Government has also allocated funding for on-farm infrastructure programs in NSW and Queensland of up to \$300m and \$115m respectively as part of the State Priority Projects contained in the Murray Darling Basin Reform Intergovernmental Agreement signed in Jul 2008.

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Outcome:	4	Question No:	114
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Water for the Future – future with less water		
Hansard Page ECA:	Written Question on Notice		

Senators BIRMINGHAM and IAN MACDONALD asked:

Budget Paper 2 stated the Government will provide \$200.0 million over three years from 2009-10 for grants to local municipalities in the Murray-Darling Basin to assist them in planning for a future with less water and to invest in associated local water savings initiatives.

1. To date, has funding been allocated to local municipalities in the Murray-Darling Basin?

Answers:

The Strengthening Basin Communities Program was launched in June 2009 and has two components – the Planning Component and the Water Saving Initiatives Component.

Applications under the Planning Component have been evaluated and an announcement of funding for successful applications totalling \$14 million was made on 27 November 2009. Funding agreements are being negotiated with the successful applicants.

The first round of the Water Saving Initiatives component closed on 6 November 2009 and the evaluation of applications has commenced.

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Environment, Water, Heritage and the Arts portfolio

Supplementary Budget Estimates, October 2009

Outcome: 4 **Question No:** 115
Program: 4.1
Division/Agency: Water Efficiency Division
Topic: Water purchases
Hansard Page ECA: Written Qon

Senators BIRMINGHAM and MACDONALD asked:

1. How much has the Government spent purchasing entitlements in the past 12 months?
2. How much is allocated for the next 12?
3. What is the delay by state between acceptance of the Government as a tender and completion of the transfer?
4. Of the 2008/09 accepted tenders, what value (by dollars and megalitres) failed due diligence and were not settled?

Answers:

1. The Government spent \$371.7 million on the purchase of water entitlements for the environment in 2008-09, and a further \$345.9 million from 1 July to 31 October 2009.
2. Details of the administered appropriations (Bill 2 – Assets and Liabilities) provided for water entitlement purchases in 2009-10 are provided below.

2009-10 budget for water entitlement purchases	(\$m)
Initial budget (announced in May 2009 Budget)	527.9
Carryover of unspent 2008-09 appropriation	47.7
Funds brought forward (Appropriation (Water Entitlements) Bill 2009-2010)	650.0
TOTAL	1,225.6

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3. The number of business days between an offer being accepted (proceeding to diligence) and the transaction being settled for each state is provided below.

Business days between acceptance* & settlement

	Average	Maximum	Minimum
NSW	113.1	195	47
Queensland	145.9	162	115
South Australia	139.5	186	78
Victoria	114.6	203	57

*point when due diligence requested

4. Nine trades from the 2008-09 tender for a total of 2,207 megalitres worth \$2,608,815 failed due diligence.

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Outcome:	4	Question No:	116
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Murray Action Plan – State Priority Projects		
Hansard Page ECA:	Written Question on Notice		

Senators BIRMINGHAM and IAN MACDONALD asked:

I refer to Senator Wong's announcement on 3rd July 2008 of an allocation of \$3.7 billion for urgent priority irrigation modernisation projects. On 7th October 2009 Senator Wong committed \$21.7 million to the Gwydir Valley Pilot Project to support more efficient irrigation through on-farm modernisation projects.

1. How much of the \$3.7 billion Murray Action Plan funding has been allocated to date?
2. What amount of funding has so far been given to projects in NSW and Victoria?
3. What benchmarks are being used to determine whether this expenditure is worthwhile?

Answer/s:

1. and 2. As of 8 February 2010, the elements which form part of the \$3.7 billion commitment are as follows, with the amounts contracted to date included in brackets:
NSW
 - up to \$708 million has been allocated for State Priority Projects to be delivered by the New South Wales Government (contracted \$27.47 million)
 - \$650 million committed to upgrading private irrigation infrastructure in NSW that is to be delivered by the Commonwealth Government (under assessment, nil contracted)*Victoria*
 - Up to \$1.103 billion has been allocated for State Priority Projects to be delivered by the Victorian Government (nil contracted)*South Australia*
 - Up to \$420 million has been allocated for State Priority Projects to be delivered by the South Australian Government (contracted \$139.52 million)
 - \$110 million committed for the Private Irrigation Infrastructure Program in South Australia that is being delivered by the Commonwealth (under assessment, nil contracted)
 - \$80 million for water purchase (all contracted)

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Queensland

- \$160 million for State Priority Projects to be delivered by the Queensland Government (contracted \$2.02 million)
- \$350 million for water purchase (\$15.04 million contracted)

Australian Capital Territory (ACT)

- Up to \$85 million has been allocated for a State Priority Project to be delivered by the ACT Government (contracted \$0.45 million)

3. Projects which were provided in-principle support by the Australian Government in the 3 July 2008 Intergovernmental Agreement are subject to due diligence. This involves:
 - The proponent submitting a business case for the project against the Basin State Priority Projects: Business Case Information Requirements which reiterate the criteria by which this assessment will be undertaken as described in Schedule E of the Intergovernmental Agreement on Murray-Darling Basin Reform of 3 July 2008.
 - DEWHA undertaking a due diligence assessment of the social, economic, environmental, financial and technical aspects of the project(s), as detailed in the states Business Cases.

This is not a process of setting fixed benchmarks, but rather considering the adequacy of the business case against each of the criteria.

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Outcome:	4	Question No:	117
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Sunraysia Modernisation project – need for project		
Hansard Page ECA:	Written Question on Notice		

Senator HEFFERNAN asked:

1. Has there been a study published on the adequacy of the current community irrigation systems namely Red Cliffs, First Mildura Irrigation Trust, and Merbein?
2. If so, has there been a study published into options to remedy any inadequacies that were identified?
3. As full cost recovery has been the policy mandated by the Victorian Government have the irrigators been given any opportunity to be involved in such studies such as briefings at public meetings where it was possible for irrigators to ask questions or seek clarifications?
4. What opportunity have irrigators had to seek independent expert advice into options that may be available?
5. What is the significance of the item in the Lower Murray Water, Board minutes, dated 22/12/09 on page 14 “Cancel proposed meetings with CSACs advising that the board had received the proposal and was unhappy with the pricing” Does it mean that the Board had drawn up detailed proposals and had them costed, before including Customer Service Advisory Committees?
6. Did **Lower Murray Water (LMW)** Board decide not to hold elections for CSACs this June, if so was this because the Board was concerned that the election may turn into a referendum into the appropriateness of the SMP?
7. Has Mr Ron Leamon Managing Director of LMW described the Customer Service Advisory Committees “As a committee appointed by LMW of representative irrigators not irrigator representatives”?
8. Did Mr Leamon also at an induction meeting for Customer Service Committees state that “The purpose of the committees is to give advice to the Board when and only when asked, you (the Committees) are not to offer advice”?

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Answers:

1. The Department of Environment, Water, Heritage and the Arts (the Department) is not aware of a report in the public domain that matches your description. The Department is currently undertaking due diligence assessment of a business case provided by Lower Murray Water through the Victorian Government's Department of Sustainability and Environment, for a proposal to upgrade the Sunraysia irrigation delivery systems operated by Lower Murray Water. If Lower Murray Water had commissioned any such internal studies, then we would expect the outcomes to have been considered by Lower Murray Water in the preparation of their proposal.
2. Please see the response to question 1.
3. The extent of Community consultation and support for the project will be considered as part of the due diligence on the Sunraysia Modernisation Project business case.
4. In the Sunraysia Modernisation Project, the proposal is from Lower Murray Water as the irrigation delivery body through the Victorian Government. How Lower Murray Water constructed their business case and whether any independent advice was sought is a matter for Lower Murray Water. Due diligence will examine the information presented in the business case in accordance with Schedule E of the Murray Darling Basin Inter-Governmental Agreement signed in July 2008 and this will include the examination of the options considered and their associated costs and benefits.
5. This is not a matter on which it is appropriate for the Australian Government to comment.
6. This is not a matter on which it is appropriate for the Australian Government to comment.
7. This is not a matter on which it is appropriate for the Australian Government to comment.
8. This is not a matter on which it is appropriate for the Australian Government to comment.

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Outcome:	4	Question No:	118
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Sunraysia Modernisation project – Water savings		
Hansard Page ECA:	Written Question on Notice		

Senator HEFFERNAN asked:

In the document “Sunraysia Modernisation Project, Customer information sheet No1” under water savings it says “A preliminary desktop assessment has estimated that the total savings from both stages will be in the order of 8gl”

1. is it not true that the consultants URS estimated the savings at Robinvale irrigation district (close to Mildura and managed by LMW) where there has been a complete high pressure pipeline system recently installed that the savings would only be 155megalitres?
2. Has there been a detailed study published that estimates what possible water savings there will be from the Sunraysia Modernisation Project?
3. What is the significance of the statement in the minutes of Lower Murray Board Minutes dated 22/12/08 on page 13 “**water savings/EC credits are minor**”?
4. Will the Minister investigate the water data provided under the EPBC Act referral?
5. Will the Minister ensure that the water data is updated as the referral has water data that is 7 years old and completely out of date?
6. How can the Minister make a valid assessment under the EPBC if the information provided is incorrect?
7. As irrigators have been on a full cost recovery program for many years should not the \$17million coming from LMW reserves be regarded as irrigators reserves and as such be viewed as a direct contribution by irrigators?
8. What guarantee do irrigators have that there will not be any overruns subjecting them to increased costs?
9. What studies have there been that have shown any opportunities that irrigators may be able to take advantage of to increase production and or income?
10. Has there been a study to identify what public benefit there is from the Sunraysia Modernisation Project?

Answers:

1. Unknown. We have not received any reports from the consultants URS related to the Robinvale irrigation district. Any water savings proposed by Lower Murray Water for the Sunraysia Modernisation Project will be the subject of review in the due diligence process.
2. No. We are not aware of any studies in the public domain.

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3. We are not privy to the minutes or deliberations of Lower Murray Water's board meeting.
4. There has been no referral of the Sunraysia Modernisation Project under the EPBC Act – as such it is not possible to assess the water data provided for the project. It is normal process for the quality of information provided in a referral to be assessed as part of the referral assessment.
5. See answer to Question 4.
6. There has been no referral of the Sunraysia Modernisation Project under the EPBC Act.
7. The offer of funds to contribute to the Sunraysia Modernisation Project has come from Lower Murray Water. The source of funding is a matter for Lower Murray Water and the Victorian Government.
8. The Sunraysia Modernisation Project will be subjected to a full due diligence process by the Commonwealth before any funds are provided for the project to proceed. The due diligence process includes an assessment of the risks of cost overruns for the project.
9. Benefits to irrigators are being considered in the due diligence assessment of the business case that the Department is undertaking.
10. The public benefits are being considered in the due diligence assessment of the business case that the Department is undertaking.

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Outcome:	4	Question No:	119
Program:	4.1		
Division/Agency:	Water Reform Division / Water Efficiency Division		
Topic:	Snowy River – Water for Rivers		
Hansard Page ECA:	Written Question on Notice		

Senator SEIWERT asked:

1. Why have taxpayer funded water savings acquired by Water for Rivers and owed the Murray River been retained in Snowy Hydro Ltd's storages and not been delivered to the Murray River?
2. Could you please explain why the Required Annual Release from Snowy storages to the Murray and Murrumbidgee Rivers (as per the conditions of Snowy Hydro Ltd's Snowy Water Licence) reduced in 2006/07 by 32 GL identified as an allocation for the environment and when it appears that no environmental allocation was actually released.
3. Could you please explain how the volume of savings obtained by Water for Rivers for the Snowy and Murray Rivers affects the Required Annual Releases made to the Murray and Murrumbidgee by Snowy Hydro Ltd under the terms of its Snowy Water Licence.

Answers:

1. Under the *Snowy Water Inquiry Outcomes Implementation Deed* (SWIOID), signed by the then Australian, New South Wales and Victorian Governments on 3 June 2002, the annual water allocation for the River Murray Increased Flow (RMIF) is transferred to an Above Target Water account held within the Snowy Hydro Scheme storages. Through the provisions of the Snowy Water Licence, issued under New South Wales legislation, Snowy Hydro Limited has discretion over when Above Target Water is released from the Snowy Hydro Scheme. Through the Murray-Darling Basin Agreement, RMIFs are given priority when Above Target Water is released from the Scheme. Once released the RMIFs are accounted for in a RMIF account in Hume Reservoir and managed through the Living Murray Initiative. Of the 96.8 GL of water that has been credited to the RMIF accounts since the 2004/05 water year, 38 gegalitres has been released, which has been used to help address the environmental objectives of several Living Murray Icon Sites. The balance remains in the RMIF Above Target Water account held in Snowy Hydro storages.

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2. The Required Annual Release is the volume of water that Snowy Hydro Limited is required to release from storage into the River Murray (nominally 1062 gigalitres per year) and Murrumbidgee River (nominally 1026 gigalitres per year) each water year. Adjustments to the Required Annual Release for each of the two river valleys is determined by a formula contained within the Snowy Water Licence. This formula includes an adjustment to take account of the savings made by 'Water for Rivers' in the Murray-Darling Basin for the Snowy River and River Murray Increased Flows. These arrangements are also reflected in the *Snowy Water Inquiry Outcomes Implementation Deed* (SWIOID).

The volume of water savings acquired within the Murray-Darling Basin by 'Water for Rivers' is calculated by the NSW Office of Water at the end of each water year, with reference to the annual allocations against the water entitlements recorded on the water savings register. In accordance with the Snowy Water Licence and the SWIOID, the Required Annual Releases for the Murray and Murrumbidgee Rivers is reduced by the volume of the water savings acquired within each of the river basins in the previous water year to offset the volume of water allocated to the River Murray and Snowy River Increased Flows.

One third of the savings is accounted for as a transfer to the River Murray Increased Flow account held as Above Target Water within the Snowy Scheme Storages (released at the discretion of Snowy Hydro Limited). The balance (two thirds) is identified as an environmental allocation and released into the Snowy River in the following water year in accordance with Snowy Hydro Limited's Annual Water Operations Plan (AWOP), which is approved by the NSW Water Minister. The Snowy Scientific Committee provides recommendations for the preferred release pattern of Snowy River Increased Flows to give effect to the environmental objectives of the SWIOID. These recommendations are taken into account during the development and approval of the AWOP.

In 2006/07 the volume of savings calculated by the NSW Office of Water was 48 GL. Of this 32 GL was allocated to the Snowy River Increased Flow account and 16 GL was transferred to the River Murray Increased Flow account, held in Snowy Hydro storages. The Required Annual Release to the Murray and Murrumbidgee Rivers for the following year (2007/08) was reduced by 48 GL accordingly. The 32GL in question was the Snowy River environmental allocation, which was released to the Snowy River in 2007/08, in accordance with the SWIOID. As the 16 GL allocation for the River Murray Increased Flows is treated as a transfer within the Snowy Scheme, this volume would not have been identified as an allocation for the environment.

3. The process by which the volume of savings obtained by 'Water for Rivers' affects the Required Annual Releases to the River Murray and the Murrumbidgee River is described in the Snowy Water Licence and reflected in the *Snowy Water Inquiry Outcomes Implementation Deed* (SWIOID).

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The volume of water savings acquired within the Murray-Darling Basin by 'Water for Rivers' is calculated by the New South Wales Office of Water at the end of each water year, with reference to the annual allocations against the entitlements recorded on the water savings register.

In accordance with the Snowy Water Licence and the SWIOID, the Required Annual Releases for the Murray and Murrumbidgee Rivers is reduced by the volume of the water savings acquired within each of the river basins for the previous water year, as determined by the NSW Office of Water.

The Snowy Water Licence contains other clauses that affect the volume of Required Annual Releases to the River Murray and Murrumbidgee River. These include, but are not limited to; adjustments through the application of the Dry Inflow Sequence Volume formula specified in the Licence; inter-valley transfers; and any differences between actual and required releases volumes for the previous water year.

The NSW Office of Water recently released its final report of the Snowy Water Licence Five-year Review. This review related specifically to the provisions of the Snowy Water Licence pertaining to the initial releases of water to the Snowy River. As such the process by which the volume of savings obtained by 'Water for Rivers' affects the Required Annual Releases was outside the scope of this review. A full review of the Licencee's (Snowy Hydro Limited) obligations under the Licence, including the provisions relating to the Required Annual Releases, will occur on the tenth anniversary of the issuing of the Licence (2012) and every 10 years thereafter.

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Outcome:	4	Question No:	120
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	State Priority Water projects		
Hansard Page ECA:	Written Question on Notice		

Senator BIRMINGHAM asked:

It has been reported that only \$30 million of the \$3.7 billion offered by the Commonwealth to the states for state priority water projects has been spent, and so far only four projects have commenced.

1. Apart from calling for an audit of expenditure, will you be seeking immediate implementation of projects?

Answers:

1. The Commonwealth committed \$3.7 billion to State Priority Projects as part of the Murray-Darling Basin Intergovernmental Agreement (MDB IGA) signed in July 2008. The agreement to these projects, in principle, was subject to the assessment of a business case that indicated positive, community level benefits from each project.

The Commonwealth is assisting the States to expedite projects by funding the development of business cases and feasibility studies.

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Outcome: 4 **Question No:** 121
Program: 4.1
Division/Agency: Water Efficiency Division
Topic: Water Buy backs - delays
Hansard Page ECA: Written Qon

Senator XENOPHON asked:

My office has been contacted by a number of irrigators who have faced lengthy delays to finalise buybacks of their water licences.

1. What is the timeframe in which water buybacks are being/should be approved?
2. Why are delays occurring and how is this being resolved?
3. Between the approval of the purchase and payment, what is the average timeframe for settlement?

Answers:

1. The number of business days between an offer being accepted (proceeding to diligence) and the transaction being settled for each state is provided below.

Business days between acceptance* & settlement

	Average	Maximum	Minimum
NSW	113.1	195	47
Queensland	145.9	162	115
South Australia	139.5	186	78
Victoria	114.6	203	57

*point when due diligence requested

2. There were delays of up to three months from May to July in the processing of trades in South Australia. These were due to the time needed for the South Australian Government and local irrigation trusts to put in place trading arrangements which met the requirements of the new *Irrigation Act 2009* and the *Renmark Irrigation Trust Act 2009*, and the Share Allocation Plan. This issue has been resolved.

For New South Wales, trade times were affected by the four month NSW Embargo on environmental water purchases by the Australian Government. The Memorandum of Understanding with the NSW Government provides for the lifting of the Embargo. Trades are now progressing to settlement.

In Victoria a number of trades have been delayed for six months or more due to the four per cent cap on out-of-district trades and the ten per cent non water user limit. The four per cent limit was reached in almost all Victorian Districts in the first half of the

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irrigation season. This meant almost all Commonwealth purchases pursued in the first half of 2009 had to wait until July 2009 to be submitted for trade approval. It took Goulburn-Murray Water almost two months to process the backlog of trades submitted for trade approval in July 2009. Other trades were held up while the ten per cent non water user limit was repealed – which has now occurred.

There are currently a small number of trades being pursued in Queensland. These were briefly delayed by the need to develop a water supply contract (issued by the Queensland Department of Environment and Resource Management) for the Commonwealth.

The Council of Australian Government's Service standards for states to approve permanent (entitlement) trades were adopted by the Natural Resource Management Ministerial Council in May 2009. These 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.

The department continues to work with Basin States to remove barriers to trade and streamline its own processes for purchasing of water for the environment.

3. See the figures provided in response to Part 1.

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Outcome:	4	Question No:	122
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Small Block Irrigators Exit Grant		
Hansard Page ECA:	Written Question on Notice		

Senator XENOPHON asked:

To claim the Small Block Irrigator Exit Grant, irrigators must have fulfilled all of the requirements of the grant by 31 March 2010. However, I am advised that many irrigators will experience difficulty in meeting this deadline, due to the delays in receiving payment for irrigation entitlements.

1. Will this deadline be extended to enable irrigators to access the Small Block Irrigator Exit Grant?

Answers:

The Department is closely monitoring the progress of water sales from applicants for the small block irrigators exit grant and does not anticipate any eligible applicants for the exit grant being unable to obtain payment for the grant before 31 March 2010. If issues are encountered, then strategies will be developed to fulfil the Australian Government's commitment to the Small Block Irrigators Exit Grant Package.

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Outcome: 4 **Question No:** 123
Program: 4.1
Division/Agency: Water Efficiency Division
Topic: Water Infrastructure Efficiencies
Hansard Page ECA: Written Question on Notice

Senators BIRMINGHAM and MACDONALD asked:

1. What dollar value of infrastructure operator efficiency spending was made in 2008/09?
2. What value will be spent in 2009/10 and in the forward estimates years (individually)?
3. What dollar of on-farm infrastructure spending was made in 2008/09?
4. What value will be spent in 2009/10 and in the forward estimates years (individually)?

Answer/s:

1. The Government's water reform package is Water for the Future. Some programs under Water for the Future are predominantly for funding water infrastructure. The total infrastructure expenditure under Water for the Future in 2008-09 for programs in rural areas was \$70.8 million.
2. The current budget and forward estimates for the Water for the Future programs that are predominantly rural infrastructure are shown in the following table. These figures include funding for Treasury for payments to the states under the Federal Financial Relations framework.

Water for the Future Program	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m
Sustainable Rural Water Use and Infrastructure Program	834.5	555.7	828.4	1,217.2
Water Smart Australia	219.8	204.4		
The Living Murray Initiative	58.3			
Great Artesian Basin Sustainability Initiative	14.9	14.9	14.9	14.9

3. The total expenditure under Water for the Future in 2008-09 for on-farm infrastructure was \$1.4 million.

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4. In May 2009, the Government allocated \$300 million under Water for the Future (from the Sustainable Rural Water Use and Infrastructure Program), specifically for grants to irrigators in the Lachlan and southern connected system of the Murray-Darling Basin to modernise their on-farm irrigation infrastructure and return water to the environment. The invitation for applications for the grants closed on 17 November 2009. The assessment process will lead to the arrangement of individual funding agreements, which will determine the annual split of the \$300 million over 2009-10 and the forward years. This is the main focus program for on-farm infrastructure for 2009-10. On-farm projects are also being developed in NSW and Queensland which have funding of up to \$300m and \$115m respectively as part of the State Priority Projects contained in the Murray-Darling Basin Reform Intergovernmental Agreement signed in July 2008.

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Outcome:	4	Question No:	125
Program:	4.1		
Division/Agency:	Water Efficiency Division		
Topic:	Murray-Darling Basin Water Market Report		
Hansard Page ECA:	Written Question on Notice		

Senator XENOPHON asked:

The 2008-09 Annual Murray-Darling Basin Water Market Report by water broker company, Waterfind, revealed that the amount of water the government says had been purchased had in fact not been settled. That is, "intentions to purchase" were included in the calculations.

The government announced purchases of 521,413 ML in the Murray-Darling basin in 2008-09 but a study of water registers revealed the transfer of only 182,265 ML had been settled.

1. Should purchases announced make clear whether a contract has been signed or settlement has occurred?
2. Are you considering changing how you calculate water purchases for upcoming Budgets and, if so, how will you ensure that there is no double-up or inflation of expenditure when you change over your method?

Answers:

1. The Department of the Environment, Water, Heritage and the Art's (the Department) website provides information water trades for which contract exchange has occurred. Where a contract has been exchanged, the contract binds the Department and the seller to the transaction, subject to state trade approval.
2. The Department reports secured purchases, based on the volume of contracts exchanged. At this stage there are no plans to change this method of reporting.

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Outcome: 4 **Question No:** 126
Program: 4.1
Division/Agency: Water Governance Division
Topic: Water grants for surf life saving clubs
Hansard Page ECA: Written Question on Notice

Senator BIRMINGHAM asked:

On 19 October 2007, Mr Garrett and Mr Albanese promised every surf life saving club in Australia would get \$10,000 each to enable them to install rainwater tanks. The promise was repeated in the Budget in May 2008.

1. How many surf life saving clubs have had rainwater tanks installed under this program since then?
2. Please provide a table which outlines which clubs have received rainwater tanks, when they were installed, what federal electorate the club is located in, and the cost of the tank.

Answers:

1. As of 9 February 2010, 44 grants have been approved for surf life saving clubs to install rainwater tanks and/or water saving device and/or conduct a water efficiency audit on club premises.
2. Please see table below for approved surf life saving club grants:

Club	Grant	Purpose	Federal Electorate
Anglesea	\$8,757	Rainwater tanks	Corangamite
Black Rock	\$9,119	Rainwater tanks and water efficient devices	Goldstein
Bonbeach	\$315	Water audit	Isaacs
Bondi	\$9,870	Rainwater tanks	Wentworth
Bulli	\$10,000	Rainwater tanks and water efficient devices	Cunningham
Burning Palms	\$6,920	Rainwater tanks and water efficient devices	Cook
Chiton Rocks	\$10,000	Rainwater tanks	Hindmarsh
City of Bunbury	\$9,571	Water efficient devices	Forrest
Clovelly	\$10,000	Water efficient devices	Kingsford Smith
Coogee Beach	\$10,000	Rainwater tanks	Fremantle
Coolum	\$9,323	Rainwater tank	Fairfax
Cottesloe	\$8,729	Water efficient devices	Curtin
Dicky Beach	\$10,000	Water efficient devices	Fisher
Emu Park	\$1,200	Water efficient devices	Capricornia
Gerringong	\$9,000	Rainwater tanks	Gilmore

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Club	Grant	Purpose	Federal Electorate
Henley	\$9,091	Water efficiency devices	Hindmarsh
Jan Juc	\$10,000	Rainwater tanks	Corangamite
Long Reef	\$10,000	Water efficient devices	Mackellar
Maroochydore	\$7,486	Water efficient devices and a water audit.	Fairfax
Maroubra	\$8,880	Water efficient devices and rainwater tanks	Kingsford Smith
Mentone	\$10,000	Rainwater tanks	Isaacs
Mermaid Beach	\$9,900	Rainwater tanks	Moncrieff
Miami Beach	\$10,000	Rainwater tank	Moncrieff
Minnie Water – Wooli	\$10,000	Rainwater tank and water efficient devices	Cowper
Mona Vale	\$9,620	Water efficient devices	Mackellar
Mudjimba	\$7,630	Rainwater tank and water efficient devices	Fairfax
Nambucca Heads	\$9,082	Rainwater tank	Cowper
Newport	\$9,090	Rainwater tanks	Mackellar
North Haven	\$10,000	Rainwater tank and water efficient devices	Port Adelaide
Point Lonsdale	\$10,000	Rainwater tank and water efficient devices	Corangamite
Semaphore	\$5,636	Water efficient devices	Hindmarsh
Shellharbour	\$10,000	Rainwater tanks	Throsby
South Maroubra	\$10,000	Water efficient devices	Kingsford Smith
South West Rocks	\$10,000	Rainwater tanks and other water efficient devices	Cowper
Surfers Paradise	\$10,000	Water efficient devices	Moncrieff
Swansea Belmont	\$9,091	Rainwater tanks	Shortland
Taree Old Bar	\$10,000	Rainwater tank and water efficient devices	Lyne
Thirroul	\$10,000	Rainwater tanks	Cunningham
Torquay	\$10,000	Rainwater tanks	Corangamite
Ulverstone	\$6,606	Water efficient devices	Braddon
Venus Bay	\$9,068	Rainwater tank	McMillan
Warrnambool	\$9,180	Rainwater tanks	Wannon
Whale Beach	\$10,000	Rainwater tank	Mackellar
Wye River	\$4,761	Rainwater tank	Maribyrnong

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Outcome:	4	Question No:	127
Program:	4.1		
Division/Agency:	Water Governance Division		
Topic:	Water for the Future – National Stormwater funding		
Hansard Page ECA:	Written Question on Notice		

Senator BIRMINGHAM asked:

1. What funding was budgeted for this program in 2008-09 and 2009-10?
2. What expenditure has been made, against what costs or grants?

Answers:

1. Over the period 2009-10 to 2012-13 there is \$200 million allocated from the National Urban Water and Desalination Plan for stormwater harvesting and reuse projects. Final cash flow will be apportioned once funding agreements have been finalised.
2. Thirteen projects (total \$86 million) were announced on 2 November 2009.

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Outcome:	4	Question No:	128
Program:	4.1		
Division/Agency:	Water Reform Division,		
Topic:	ACCC Report – Water Market and changing rules		
Hansard Page ECA:	128 (20/10)		

Senator XENOPHON asked:

Senator XENOPHON—But, given the minister’s request that the ACCC report by March 2010, is it likely that there will be a further transition period until that time when the rules come into force?

Mr Slatyer—There will need to be a further transition period. We would be advising, through the ACCC, the minister on that issue.

Senator Wong—I will take it on notice because I do not think I have advice on the termination date as yet.

Senator XENOPHON—It is just that March 2010 is the date. I will put other questions on notice.

Senator Wong—We should answer that in a bit more detail. We will come back to you on that.

Answer:

The Minister wrote to the ACCC on 30 September 2009 requesting advice on amendments to the Water Market Rules and Termination Fee Rules to address a few technical and minor issues that have arisen in the implementation of the rules during the transition period.

The Minister requested the ACCC to provide its advice, including draft amendments to the rules, by the end of March 2010. This will provide time for the ACCC to undertake the relevant consultations on the draft amendments.

The transition period for the termination fee rules ended on 30 August 2009 and these rules are now in full force.

The transition period for the Water Market Rules will end on 31 December 2009. There is no requirement for the transition period for the Water Market Rules to be extended beyond 1 January, and to do so would require a further amendment to the current Rules (as the 31 December date is embodied in the current Rules), which is not proposed.

On receipt of the ACCC advice, the Minister will make a decision on whether to amend the rules, taking into account the ACCC's advice (which will include discussion of issues raised in the consultation process).

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On 27 October 2009, Mr Slatyer wrote to the Chair of the Committee,
Senator Anne McEwen, to correct the answer provided at the hearing on 20 October.

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Outcome:	4	Question No:	129
Program:	4.1		
Division/Agency:	Water Reform Division		
Topic:	NWC – biennial report - recommendations		
Hansard Page ECA:	Written Question on Notice		

Senator XENOPHON asked:

The National Water Commission in its biennial report has made 68 recommendations. Will these be discussed at the November COAG meeting?

Answers:

The 2009 National Water Commission's Biennial Assessment will be considered at the December 2009 COAG meeting

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Outcome:	4	Question No:	130
Program:	4.1		
Division/Agency:	Water Reform Division		
Topic:	Lower Lakes – bioremediation		
Hansard Page ECA:	Written Question on Notice		

Senator BIRMINGHAM asked:

1. Over what years is the \$10 million on bioremediation for the Lower Lakes allocated? Please detail how much will be spent each year?
2. Have final agreements been reached with all relevant parties for the expenditure of those funds? If so, with whom, how much and what works will be undertaken?
3. Over what years is the \$200 million for a long term solution for the Lower Lakes and Coorong allocated? Please detail how much will be spent each year?
4. Have agreements been reached with all relevant parties for the expenditure of these funds? If so, with whom, how much and what works will be undertaken?

Answers:

1. \$1 million in 2008-09; \$7 million in 2009-10; and \$2 million in 2010-2011.
2. The South Australia Department for Environment and Heritage (SA DEH) is administering the program on behalf of the Australian Government. Funding agreements have been finalised with SA DEH for \$250,000 (for development of project plans) and \$9,396,000 (for planning, consulting and on-ground works).
3. The funding profile will be dependent on the outcomes of a due diligence assessment of a business case that is currently being prepared by South Australia.
4. No.

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Outcome:	4	Question No:	131
Program:	4.1		
Division/Agency:	Water Reform Division		
Topic:	Water brokers - regulation		
Hansard Page ECA:	Written Question on Notice		

Senator XENOPHON asked:

Currently, there is no regulation of water brokers. The ACCC's "Water Trading Rules Position Paper", released in September 2009, argued that there is insufficient evidence to support the introduction of specific regulation of water market intermediaries. This followed a similar position expressed by the National Water Commission in July 2007.

1. Given that \$12.9 billion of taxpayers money is going towards water reform, would it not be appropriate that water brokers are regulated to ensure best practice?
2. What evidence would be sufficient to require regulation?
3. Isn't the potential for inappropriate and unethical practices much greater in the absence of appropriate regulations?

Answers:

1 - 3

The generic consumer protection regime contained in the *Trade Practices Act 1974* (TPA) and state and territory fair trading legislation applies to the conduct of water market intermediaries. The TPA and similar fair trading legislation in each state and territory prohibits, inter alia, misleading or deceptive conduct, false representations and unconscionable conduct. Additionally, other serious concerns such as fraud, theft and trading while insolvent are covered by the criminal law and the *Corporations Act 2001*.

The ACCC has released material for water market intermediaries and their customers on their rights and obligations under the TPA. The material also identifies the ACCC and fair trading agencies as contact points for consumers to lodge any complaints.

The ACCC is currently developing advice to the Murray-Darling Basin Authority on water trading rules to form part of the Basin Plan. As part of this process, the ACCC released a position paper in September 2009. The ACCC noted that it and other government regulators have received very few complaints about water market intermediaries. The ACCC further noted that there has been no increase in complaints to the ACCC since the release of its information material for water market intermediaries and their customers. The ACCC's preliminary position outlined in its position paper is that there is insufficient evidence to support the introduction of specific regulation of water market intermediaries.

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

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Supplementary Budget Estimates, October 2009

The ACCC has sought submissions on the position paper and will release its draft advice for comment in December 2009.

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

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Supplementary Budget Estimates, October 2009

Outcome:	4	Question No:	132
Program:	4.1		
Division/Agency:	Water Reform Division		
Topic:	Water Broker – Waterfind Code of Conduct		
Hansard Page ECA:	Written Question on Notice		

Senator XENOPHON asked:

National water broker company, Waterfind, has its own Code of Conduct which stipulates the use of trust accounts to conduct all trading activities; brokers must retain professional indemnity insurance; and, brokers are precluded from buying and selling water for profit on their own behalf. These seem to be basic and necessary rules that should be enforced.

1. Do you agree?
2. Are there currently any preclusions to prevent brokers from buying and re-selling water for profit on their own behalf?
3. Do you agree that appropriate regulations (similar to the Waterfind Code of Conduct) should be in place to ensure fairness in water transactions carried out by the water broking industry?

Answer:

1 – 3. Please see the response to Question on Notice 131.

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

Answers to questions on notice

Environment, Water, Heritage and the Arts portfolio

Supplementary Budget Estimates, October 2009

Outcome:	4	Question No:	133
Program:	4.1		
Division/Agency:	Water Reform Division		
Topic:	Intergovernmental Agreement on a National Water Initiative		
Hansard Page ECA:	Written Question on Notice		

Senator XENOPHON asked:

The Intergovernmental Agreement on a National Water Initiative was signed in 2004, with an implementation timeline of around 70 agreed actions to take place by the end of 2009.

1. What status are these actions at?
2. The adoption of publicly accessible, compatible systems for registering water access entitlements and trades was due to be fully implemented by the end of 2006, but in my understanding that this has not yet occurred.
 - a) What are the reasons for the delay?
 - b) Can you advise when this system will be available?
3. A review on the impact of water trading is due to take place by the end of this year – when is this scheduled to take place?
4. Is the National Water Initiative struggling as a result of less than optimum cooperation with the states?

Answers:

- 1 & 4. The National Water Commission's 'Australian Water Reform 2009: Second Biennial Assessment of progress in implementation of the National Water Initiative' reports on progress in implementing the National Water Initiative.
2. The National Water Market System, including nationally consistent systems for registering water entitlements and trade, is scheduled to be operational by the 2011-12 water year. Reasons for delay include the time required to obtain State and Territory agreement.
3. In accordance with the National Water Initiative and the Water Act, a review of the impact of water trading under the interim threshold on permanent out of district trade was included in the National Water Commission's 'Australian Water Reform 2009: Second Biennial Assessment of progress in implementation of the National Water Initiative'.