

**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 19-20 October

Outcome:	4	Question No:	101
Program:	4.1		
Division/Agency:	Murray-Darling Basing Authority		
Topic:	Snowy Hydro Limited – release of water into Murray River		
Hansard Page ECA:	27 (20/10/09)		

Senator XENPHON asked: The 2002 agreement between the NSW, Victorian and Federal governments was supposed to increase environmental flows down the River Murray. However, since 2005, a total of 96,787 ML has flowed into the RMIF account, but only 38,000 ML has been released by Snowy Hydro Limited who controls the water.

1. Isn't this a breach of the 2002 agreement?
2. What review is being conducted or will be conducted into this agreement which was supposed to deliver 70,000 ML of entitlement to the Murray River?

Answer/s:

1. No. Under the terms of the Snowy Water Inquiry Outcomes Implementation Deed (SWIOID), which was signed by the then Commonwealth, NSW and Victorian Governments in 2002, discretion on the release of River Murray Increased Flows rests entirely with Snowy Hydro.

The RMIF account is comprised of two components, the RMIF in Hume account and the RMIF in Snowy account. Under the terms of the SWIOID water savings are initially transferred to the RMIF in Snowy account and held by Snowy Hydro Limited (SHL) as Above Target Water. Above Target Water is released at the discretion of SHL and is not included in the calculation of SHL's release obligations.

Water that SHL releases in excess of its release obligation is considered to be a release of Above Target Water under the SWIOID and, in accordance with the rules agreed by the Murray – Darling Basin Ministerial Council, the first such release is considered to be a transfer of RMIF water. This transfer is credited to the RMIF account in Hume, and becomes available to provide increased environmental flows down the River Murray. For the purposes of achieving the best environmental outcomes in the Murray, this water is managed under the Living Murray environmental watering framework once it is made available to the Authority in the Hume TMIF account.

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2. There is no scheduled review of the SWIOID. The review provisions of the SWIOID are:

At any time the parties may agree to initiate a review of any or all of:

- (1) The Joint Government Enterprise;*
- (2) Mechanisms to deliver water for Increased Flows; and*
- (3) The Increased Flows*

The Joint Government Enterprise Limited was incorporated as Water for Rivers, a Public Company limited by guarantee, in December 2003.

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Outcome:	4	Question No:	102
Program:	4.1		
Division/Agency:	Murray – Darling Basin Authority		
Topic:	Development of the Basin Plan		
Hansard Page ECA:	Written Question on Notice		

Senator XENOPHON asked:

The biennial National Water Commission report said the Murray-Darling Basin Authority has had ‘a disappointingly slow start’ and claimed that this could result in time pressures jeopardising critical community consultations on its new basin plan. Do you agree with this assessment?

Answer:

No. The Chief Executive of the National Water Commission (NWC) provided clarification on this comment at the 20 October 2009 Senate Standing Committee on Environment, Communications and The Arts Legislation Committee hearing which can be found at pages 116 and 117 of the Hansard of that hearing.

In relation to community consultation on the Basin Plan the following has been undertaken:

- a concept statement outlining the key elements of the Basin Plan, how the plan is being developed and the consultation to be undertaken in the various phases of the Basin Plan’s development was released in June 2009;
- the Authority has been engaging with stakeholders at Authority and Basin Community Committee regional meetings;
- a number of fact sheets to provide information on the Authority, the Basin Community Committee and issues derived from the Concept Statement have been progressively released;
- a stakeholder engagement strategy which was released on 12 November to ensure that the community and other stakeholders have a genuine and substantial opportunity to provide input to the Basin Plan; and
- an issues paper about sustainable diversion limits, the central element of the Basin Plan, was released on 12 November 2009 for public comment.

The MDBA is holding two stakeholder forums for peak industry, community and conservation/environmental groups and government and scientific agencies to discuss the Basin Plan in Canberra in December 2009. The forums will focus on the Sustainable Diversion Limits issue paper and other Basin Plan issues. A Northern Basin Indigenous Gathering will also be held in early December.

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Community consultation will also include the release of the proposed Basin Plan in mid-2010 for public comment as required by the Water Act. The proposed Basin Plan will be published on the MDBA website, together with a 'plain English' summary.

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Outcome:	4	Question No:	103
Program:	4.1		
Division/Agency:	Murray-Darling Basin Authority		
Topic:	MDBA Drought update – critical needs water		
Hansard Page ECA:	Written Question on Notice		

Senator XENPHON asked:

The MDBA's drought update earlier this year found that South Australia, NSW and Victoria have only enough "critical needs" water for another year – and that irrigation water for the food bowl will be dependent almost entirely on rainfall as basin states hold back water for critical human needs.

1. Is this still the case?
2. What is the average monthly inflow currently?
3. How much water has been purchased from the northern and southern parts of the Murray-Darling river system?

Answers:

1. "Critical human water needs" for the 2009-10 water year have been met, and there has been sufficient inflows in the last few months to allocate some water for irrigated agriculture and the environment. Allocation levels are now tracking significantly higher than at this time in 2007 and 2008, but are still well below long term averages. Each State is responsible for securing its "critical human water needs" for next year (2010-11). The MDBA has been advised that "critical human water needs" for 2010-11 are now being set aside by each of the States.
2. Inflows during October 2009 were about 695 GL, compared to the long-term October average of about 1,400 GL.

As a result of the recent rain, Murray System inflows for the first 5 months of the 2009-10 water year were 2,200 GL which is significantly better than for the same period during each of the last 3 years, but inflow remains well below the June to October long term average of 6,390 GL. The current water year is tracking as the

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17th driest in 118 years of records. As a result of the recent hot and dry weather, November inflows are also expected to be well below average.

3. There have been several water purchases by the Australian Government for environmental outcomes as listed below. These figures do not include water purchased by other governments for The Living Murray or any other purposes.
 - As at 20 November 2009, the Murray-Darling Basin Authority has purchased 13.8GL long term cap equivalent (LTCE) in the southern Murray-Darling Basin under the “Living Murray Water Purchase” project. This water is purchased for environmental outcomes.
 - In 2007, the Murray-Darling Basin Commission purchased 13.2 GL LTCE in the Southern Murray-Darling Basin under the Pilot Environmental Water Purchase project, also for The Living Murray Program.
 - As at 30 November 2009, the Department of the Environment, Water, Heritage and the Arts had secured the purchase of 272.1 GL of water entitlements in the northern Basin and 379 GL of water entitlements in the southern Basin under the Restoring the Balance in the Murray-Darling Basin program. This water is for environmental use.