

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Hearings 2005-2006, 13 February 2006

Question: PM 63

Outcome 1, Output 1.1

Topic: Murray River

Hansard Page: Direct on Notice

Senator Evans asked:

- 1. How much funding has the Federal Government allocated over the past three years to increase environmental flows into the Murray River?**
- 2. Has any additional water flowed into the Murray as a result of this funding? If not, when would you expect to see additional environmental flows, and how additional water do you expect will go into the Murray River?**
- 3. Is PM&C aware of a report that was presented to the 26 March 2004 meeting of the Murray Darling Basin Ministerial Council on managing risks to shared water resources?**
- 4. That report suggests that if a "business as usual" approach was taken to climate change, reforestation, groundwater use, farm dams, bushfires and return flows from irrigation, the potential reduction in river flows could be up to 2 000 giga-litres each year after 20 years.**
- 5. What is the Government doing to address those risks?**
- 6. In particular, what is the Government doing to reduce the risk of and prepare for the impact of climate change on the Murray River and our other major river systems?**

Answer:

- 1. On 9 May 2006 the Australian Government announced that it will provide additional funding of \$500 million to the MDBC in 2005-06 to improve outcomes in 2006-07 and the following four years. These funds are for the purposes of supporting an operating and investment budget which will allow pre-existing decisions by the Council and Commission to be implemented in a timely manner; an expanded Environmental Works and Measures Program to ensure that best use is made of water recovered for the Living Murray Initiative; and accelerating water recovery measures under the Living Murray Initiative.**

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This investment is in addition to government's allocation of \$200 million of the \$500 million agreed to by the governments of the Murray-Darling Basin (MDB) in 2003 to be used to recover water for the River Murray as part of the Living Murray First Step decision. The Australian Government has committed \$37.2 million to the first Living Murray project to be funded, the \$93 million Goulburn Murray Water Recovery Project. The remaining funds will be committed as projects are registered as Eligible Measures and investment plans are prepared by the states.

The government has also allocated \$7.5 million over the last three years to the Living Murray Environmental Works and Measures Program through its annual contribution to the Murray-Darling Basin Commission (MDBC). This \$150 million, eight-year program provides the operational flexibility to deliver and manage environmental flow allocations in the River Murray system.

The government has allocated \$75 million to recover 70 gigalitres on average per annum for the River Murray as part of its commitment to the Snowy Joint Government Enterprise (JGE).

Under the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality, the government allocates funding to projects that support environmental flows in the River Murray. Since 2002-03, funding of approximately \$4.3 million has been allocated under these programmes to projects that either directly increase environmental flows, or are contributing to arrangements that support environmental flows, in the River Murray system.

2. Yes, for example the JGE recovered 19 gigalitres in 2004-05, of which 5 gigalitres has been released to the River Murray in 2005-06. The remaining 14 gigalitres will be available for future environmental watering events. The release of water for environmental flows depends on river flow conditions at the time. A further 51 gigalitres are to be recovered under the JGE by June 2012.

The first water recovery project for the Living Murray, announced on 18 January 2006, will recover an estimated 145 gigalitres on average per annum of additional water for the River Murray. The first 120 gigalitres is expected to be available for the river in July 2007, with a further 25 gigalitres of additional water expected in July 2009. In addition, the Australian Government will be inviting tenders for River Murray water which has become available by reason of water-efficiency measures and can be released for environmental use by 2009. The call for proposals is expected to be issued by the end of July 2006.

The 19 May 2006 Murray-Darling Basin Ministerial Council meeting also welcomed a water recovery proposal for 35GL for the Living Murray initiative

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from South Australia, and agreed to fast-track the assessment of the proposal to ensure that this water is made available for the Living Murray as soon as possible.

3. PM&C is aware that a summary of a report on managing risks to shared water resources was presented to the 26 April 2004 Murray-Darling Basin Ministerial Council. Following agreement at the 19 May 2006 Murray-Darling Basin Ministerial Council, the full report is now publicly available.
4. Noted.
5. The 19 May 2006 Murray-Darling Basin Ministerial Council noted the Murray-Darling Basin Commission's (MDBC) progress on developing a framework to address the risks in the report (climate change, bushfires, increased groundwater extraction, reduced return flows from irrigation, reforestation and farm dams). In considering the significance of these risks, the Council directed that this issue become a standing item for all future meetings of the Council until strategies are in place to deal with these risks. The Australian Government, as a partner in the Murray-Darling Basin Initiative (MDBI), is working with the other partner governments to develop strategies to mitigate the risks identified in the report. Information about the MDBI is available on the MDBC website (www.mdbc.gov.au). The states and territories, as land and water managers, will have primary responsibility for the on-ground implementation of any strategies developed through the MDBI. The states and territories also have a responsibility for addressing these issues through the implementation of their NWI commitments, in particular those that relate to water planning and risk assignment.
6. The Australian Government is working to improve the knowledge base that informs water resource management and planning, which is primarily the responsibility of the states and territories. In particular, the Australian Government is funding several studies on the impact of climate change on water resources in the MDB and elsewhere in Australia that will contribute to understanding risks and appropriate responses to the impacts of climate change.

The \$7 million South-East Australia Climate Initiative, with particular emphasis on its implications for shared water resources in the MDB, is being jointly funded by the Australian Government, the MDBC, Land & Water Australia, and the Victorian Department of Sustainability and Environment. The funding will bring together leading Australian climate scientists from the CSIRO, the Bureau of Meteorology, along with land and water managers from the MDB.

The Australian Government, through the AGO and the NWC, has also commissioned the CSIRO to provide a strategic paper to scope the current

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state of knowledge on climate change and water resources in Australia, including the likely impacts, key risks and knowledge gaps relevant to planning and policy decisions. Early planning for adaptation can help minimise the costs and reduce the negative impacts of climate change. This \$80 000 scoping paper is an initial step towards the long-term goal of addressing the impact of climate change on Australia's water resources.