

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2006

Agriculture, Fisheries and Forestry

Question No: NRM01

Division/Agency: Natural Resource Management

Topic: Living Murray Initiative – Murray-Darling Basin

Hansard Page: 114 (31/10/06)

Senator O'Brien asked:

Getting back to the \$500 million into the Murray-Darling Basin: the budget papers told us that the funding would go to accelerating their capital works program, funding additional measures under the Living Murray environment works and measures program and allowing the Murray-Darling Basin Commission to participate in the Living Murray agreement to deliver 500 gegalitres for environmental water flows. How big is the MDBC capital works program annually?

Answer:

For 2006-07 the Murray-Darling Basin Commission's total budget is \$156.424 million with the capital works component being \$64.498 million.

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Question No: NRM02

Division/Agency: Natural Resource Management

Topic: Living Murray Initiative

Hansard Page: 115 (31/10/06)

Senator O'Brien asked:

Given this Living Murray Initiative commenced in mid-2002, being formally signed off by all members of the council in June 2004, what actual progress has been made in restoring environmental flows to the river system to date? Can you give full details on notice? And details of the water flow additions, how they will be achieved and what the timetable is proposed to achieve that?

Answer:

In September 2006, the Murray-Darling Basin Ministerial Council approved the first distribution of shared water to The Living Murray (TLM) Icon Sites, with approximately 34.8 GigaLitres (GL) made available for the environment through the Environmental Watering Plan this year. About 27 GL of this water comes from savings from the Joint Government Enterprise with the remainder being a donation from South Australia which is likely to be part of TLM program in the future.

Since November 2003, existing water available to the environment has been actively managed by jurisdictions and the Murray-Darling Basin Commission. This work has contributed towards meeting the ecological objectives for the Living Murray six Icon Sites. In this context, 2005-06 represents the most active season of environmental management in the history of river regulation.

Over 36,000 hectares of the natural environment of the River Murray system and Icon Sites has been deliberately watered for environmental purposes, using approximately 915 GL of water. The sources of water used included a combination of the accumulated Barmah-Millewa Forest Environmental Water Allocation, other existing state-based environmental allocations (such as Victorian Murray Flora and Fauna Entitlement, NSW Adaptive Environmental Water), River Murray surplus flows, above entitlement flows to South Australia, and water recovered from the Joint Government Enterprise.

More specifically, about 510 GL from the Barmah-Millewa Forest Environmental Water Allocation was released to achieve one of the most significant colonial nesting waterbird breeding events in recent decades and the spawning of threatened fish such as Silver Perch. Environmental water was also delivered through various means such as flow enhancement, pumping/siphoning, weir manipulation, and use of regulated creeks/channels to reinvigorate stressed floodplain vegetation including River Red Gums, and to fill wetlands across Gunbower Forest, Hattah Lakes, Chowilla Floodplain and the River Murray Channel Icon Sites. Water was also released through the Barrages at the Murray Mouth to provide temporary freshening of parts of the Coorong and fishways along the River Murray Channel were operated continuously for nine months.

Due to dry conditions, environmental watering opportunities in 2004-05 were limited, but included combining surplus flows with water from the NSW and Victorian

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environmental water accounts to water Barmah-Millewa and Gunbower Forests, Hattah Lakes and Chowilla Floodplain. In addition, there was sufficient flow into the Lower Lakes to release about 40 GL through the Barrages and into the Coorong and through the Murray Mouth.

Additional water for the Living Murray Initiative will be recovered to 30 June 2009, seeking an average of up to 500 GL per annum ultimately available for River Murray increased flows. Four projects were approved by the Murray-Darling Basin Ministerial Council in November 2004, namely the:

- Goulburn Murray Water Recovery Package, which is anticipated to recover 145 GL;
- Lake Mokoan Water Recovery Proposal (24 GL);
- NSW Water Recovery Proposal A (9 GL); and
- NSW Water Recovery Proposal B (62 GL).

At Council meetings in May and September 2006 three further proposals were considered:

- South Australia announced a package of measures under the Living Murray Initiative to recover its target of 35 GL, including 13 GL which is expected to be available for environmental use in the first half of 2007;
- NSW presented a strategy to recover water to meet its indicative targets including 70-109 GL from additional projects and 80-125 GL of water purchase from willing sellers; and
- Victoria submitted an application for a proposal which is expected to recover a further 35 GL of water.

To speed up the recovery of water under the Living Murray Initiative, in November 2006 the Australian Government opened the Water Through Efficiency Request for Tenders to encourage the adoption of on-farm and off-farm water efficiency measures as a means of obtaining permanent water entitlements. To maintain productive capacity the tender will only acquire eligible water entitlements from holders who can propose offsetting water efficiency measures. The tender closing date has been extended by two weeks (now closing on 14 February) to allow interested parties time to consider the implications of the National Plan for Water Security.

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Question No: NRM03

Division/Agency: Natural Resource Management

Topic: Murray-Darling Basin Ministerial Council

Hansard Page: Written question

Senator Stephens asked:

What is the current status of the four projects approved in November 2004? (A project to recover 145 gigalitres of water in the Goulburn Murray; a project to recover 24 gigalitres from decommissioning a structure called Lake Makoan, (sic) in Victoria; a project to recover 9 gigalitres of water in NSW from innovative market based approaches; a project to recover 62 gigalitres of water in NSW from a range of infrastructure type measures improving the efficiency of a range of irrigation areas and wetland structures).

Answer:

The Goulburn Murray Water Recovery Package has a signed Investment Plan and is currently being implemented.

The NSW Water Recovery Proposal B and the Lake Mokoan Water Recovery Proposal are at draft Investment Plan stage and the Australian Government has provided comment on these plans to the respective jurisdictions.

The Australian Government has not received a draft Investment Plan for the NSW Water Recovery Proposal A.

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Question No: NRM04

Division/Agency: Natural Resource Management

Topic: Murray-Darling Basin Ministerial Council

Hansard Page: Written question

Senator Stephens asked:

At Budget Estimates you advised only Victoria has come forward with an investment plan and a contract the government could sign onto and start making payments on.

What is the status of this contract?

Answer:

Australian Government investment of \$37.2 million in the Victorian Goulburn-Murray Water Recovery Package was announced in January 2006. The Government signed the Investment Agreement and associated Investment Plan for this package in April 2006. Two payments, totalling \$4.684 million, have been made in accordance with the project timetable. A further payment of \$10.478 million is scheduled for 2006-07.

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Agriculture, Fisheries and Forestry

Question No: NRM05

Division/Agency: Natural Resource Management

Topic: Murray-Darling Basin Ministerial Council

Hansard Page: Written question

Senator Stephens asked:

What projects have come forward since November 2004? What is the current status of these projects?

Answer:

Two proposals have formally been brought forward by State jurisdictions since November 2004.

South Australia submitted a final application to list the 13 gegalitres (GL) “*Securing Government Held Water for Environmental Use*” measure on the Eligible Measures Register on 28 September 2006. The water is expected to be available for environmental use in 2007. The 13 GL was the first part of the South Australia’s announced package of measures under the Living Murray Initiative to recover its target of 35 GL.

On 28 September 2006, Victoria submitted an application to list the 35 GL “Shepparton Irrigation Area Modernisation Project” on the Developmental Register. The Victorian Government will undertake further development work on this project before applying for listing on the Eligible Measures Register.

In May 2006, NSW presented a strategy to recover water to meet its indicative targets under the Living Murray Initiative which included 70-109 GL from additional projects and 80-125 GL of water purchase from willing sellers.

To speed up the recovery of water under the Living Murray Initiative, in November 2006 the Australian Government opened the ‘Water Through Efficiency’ Request for Tenders to encourage the adoption of on-farm and off-farm water efficiency measures as a means of obtaining permanent water entitlements.

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Question No: NRM06

Division/Agency: Natural Resource Management

Topic: Murray-Darling Basin Ministerial Council

Hansard Page: Written question

Senator Stephens asked:

At Budget Estimates the Department said it was looking to find new ways of finding water within the system? Can you provide an update on progress?

Answer:

On 28 April 2006 the Australian Government announced that it would be running a Request for Tenders to recover water for the Living Murray Initiative. Water offered through tenders should be from efficiency measures, allowing productive capacity to be maintained.

A draft of the Australian Government 'Water Through Efficiency' Request for Tenders was released for public comment in August 2006. This included consultation with key irrigation organisations and industry bodies. Overall there was broad support for the tender process on the basis that it involved efficiency measures, and most organisations expressed interest in making the process as workable as possible. Public meetings were held throughout the southern Murray-Darling Basin area in November 2006.

The Request for Tenders opened on 1 November 2006, and will now close on 14 February 2007, due to a two week extension in light of the announcement of the National Plan for Water Security. Information regarding the tender is available through a telephone hotline, a website and an email address.

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Question No: NRM07

Division/Agency: Natural Resource Management

Topic: Murray-Darling Basin Ministerial Council

Hansard Page: Written question

Senator Stephens asked:

At Budget Estimates the Department said no water has been returned to the Murray yet out of the 500 gigalitre commitment, but the first proposal will return 120 gigalitres by 1 July 2007 – the Goulburn Murray water recovery proposal. Does this project remain on target for the 1 July date? Are there updates on other projects?

Answer:

Yes.

Three other projects were approved by the Murray-Darling Basin Ministerial Council in November 2004, namely the:

- Lake Mokoan Water Recovery Proposal (24 GL);
- NSW Water Recovery Proposal A (9 GL); and
- NSW Water Recovery Proposal B (62 GL).

At Council meetings in May and September 2006 three further proposals were considered:

- South Australia announced a package of measures under the Living Murray Initiative to recover its target of 35 GL, including 13 GL which is expected to be available for environmental use in the first half of 2007;
- NSW presented a strategy to recover water to meet its indicative targets including 70-109 GL from additional projects and 80-125 GL of water purchase from willing sellers; and
- Victoria submitted an application for a proposal which is expected to recover a further 35 GL of water.

To speed up the recovery of water under the Living Murray Initiative, in November 2006 the Australian Government opened the Water Through Efficiency Request for Tenders to encourage the adoption of on-farm and off-farm water efficiency measures as a means of obtaining permanent water entitlements. To maintain productive capacity the tenders will only acquire eligible water entitlements from holders who can propose offsetting water efficiency measures.

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Question No: NRM08

Division/Agency: Natural Resource Management

Topic: Murray-Darling Basin Ministerial Council

Hansard Page: Written question

Senator Stephens asked:

At Budget Estimates the Department said “of the \$500 million agreed under that intergovernmental agreement for the Living Murray Initiative, the Commonwealth has not expended any funds, although we do expect to expend those funds that are outlined in the budget document, which is the \$2.484 million. We expect to expend that this financial year.” Please provide an update on the Living Murray Initiative expenditure.

Answer:

The Australian Government’s investment contribution to the Victorian Goulburn-Murray Water Recovery Package is \$37.2 million. Of that, \$2.484 million was expended in 2005-06 and \$2.2 million has been expended so far in 2006-07. A further \$10.478 million is planned to be expended in 2006-07.

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Question No: NRM09

Division/Agency: Natural Resource Management

Topic: Murray-Darling Basin Ministerial Council

Hansard Page: Written question

Senator Stephens asked:

Are existing water management practices in the Murray-Darling Basin compliant with the NWI? They don't give priority to achieving environmental sustainability and protecting resource security, fail to manage surface and groundwater resources conjunctively, are not based on a whole-of-system approach to defining management goals and will not be able to adapt effectively to the predicted impacts of climate change?

Answer:

The National Water Initiative Intergovernmental Agreement, paragraph 14(i) states:

14. In relation to the Murray-Darling Basin (MDB):
 - i) relevant Parties agree to review the 1992 Murray-Darling Basin Agreement, where necessary, to ensure that it is consistent with this Agreement;

The review referred to in the Agreement, known as the Murray-Darling Basin Agreement Consistency Review (NWI), is currently being undertaken on behalf of the Murray-Darling Basin Commission.

On 25 January 2007, the Prime Minister announced the Australian Government's plan to improve water management across the nation. The proposed National Plan for Water Security will invest \$10 billion over 10 ten years to improve water use efficiency and address the over-allocation of water. It will accelerate the implementation of the National Water Initiative, which is the blueprint for water reform nationally. It also builds on the work begun under the Living Murray Initiative and the Australian Government Water Fund.

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Question No: NRM10

Division/Agency: Natural Resource Management

Topic: Western Australia Drainage

Hansard Page: Written question

Senator Siewert asked:

Have the Yarra Yarra Catchment Management Group been allocated further funding for drainage works in the 2006/07 and 2007/08 Investment Plan?

- (i) If so, how much and for what specific work?
- (ii) Were these projects approved by the Regional NRM Group?
- (iii) Were these projects supported by the State Investment Committee?
- (iv) Were these projects supported by the WA State Government?

Answer:

Yes.

- (i) Yes - \$1.6m of National Action Plan for Salinity and Water Quality funding as part of the National Action Plan for Salinity and Water Quality Bilateral Agreement with Western Australia. The funding has been allocated to continue the drainage works undertaken in 2005/06 and to duplicate those works in a number of other sub-catchments to ascertain the benefits and viability of deep drains as a means of combating salinity in the Yarra Yarra catchment.
- (ii) These projects were supported by the Regional NRM body as these projects form part of the Northern Agricultural Catchment Council's Investment Plan for 2006/07 and 2007/08.
- (iii) Yes – these projects were considered and supported by the WA State Investment Committee.
- (iv) Yes – WA Ministers approved the Northern Agricultural Catchment Council's Investment Plan for 2006/07 and 2007/08.

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Agriculture, Fisheries and Forestry

Question No: NRM11

Division/Agency: Natural Resource Management

Topic: Western Australia Drainage

Hansard Page: Written question

Senator Siewert asked:

Has the WA Channel Management Group been allocated any funding for drain works?

- (i) If so, how much and for what specific work?
- (ii) Were these projects approved by the Regional NRM Group?
- (iii) Were these projects supported by the State Investment Committee?
- (iv) Were these projects supported by the WA State Government?

Answer:

No.

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Agriculture, Fisheries and Forestry

Question No: NRM12

Division/Agency: Natural Resource Management

Topic: Western Australia Drainage

Hansard Page: Written question

Senator Siewert asked:

Has the WA Engineering Evaluation Initiative been completed and assessed?

Answer:

No. The Engineering Evaluation Initiative has not been completed and as such it has not been assessed, although individual projects have provided some results which can be found [at www.water.wa.gov.au](http://www.water.wa.gov.au).