Senate Rural and Regional Affairs and Transport References Committee

Written Questions on Notice – Thursday, 23 August 2012
CANBERRA, ACT

Inquiry into management of the Murray-Darling Basin

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SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES COMMITTEE

Inquiry into the management of the Murray Darling Basin

Public Hearing Thursday 23 August 2012

Written Questions on Notice – Murray-Darling Basin Authority

Written Questions – Senator Milne

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1. SDLs modelling (and related modelling of constraint removal, the Constraints Management Strategy, environmental outcomes achieved):

   A. Have any of the states requested modelling of the 4000GL scenario at any stage and what was the MDBA's response to them? Has the Minister for Environment asked the MDBA to model 4000GL without constraints?

2. Expenditure of Water for the Future $8.9 billion, buybacks and infrastructure spending:

   A. In the most recent version of the Draft Plan it is evident that all the billions set aside for these reforms will be consumed by only achieving 2750GL for the river? Why is this the case and at what point did this become clear in the MDBA's budgeting?

   B. Why does the Draft Plan prioritise spending on infrastructure rather than buy backs when the latter is far more cost effective?

   C. To go above the GL range proposed by the latest version of the Draft, how much extra money would it cost to reach 4000GL for the environment if the water is to be obtained through infrastructure? How much would it cost to find up to 4000GL through buybacks?

3. Groundwater extraction:

    A. The August edition of the Draft Plan proposes increases to the Basin Plan of 1700GL over current levels of take. This comes on the back of the Authority previously proposing an increase of 2600GL which has now been pulled back. Given there is so much uncertainty about the interconnectivity of surface and groundwater, what is the scientific basis for these significant shifts in proposed groundwater extraction?

    B. What does the Authority say to the Wentworth Group's complaints that increased extraction is planned to occur in the Goulburn-Murray Deep and Wimmera with no justification for their sustainability?

4. Adjustment mechanism/2015 review:

    A. Can you confirm that the adjustment mechanism could result in public funding going into underwriting infrastructure expenditure that would benefit irrigators and not the environment? If further public money goes to infrastructure and works and measures, why are the water savings not going back to the public good (the river?)

    B. Throughout 2012 we heard repeatedly from the MDBA that the 2015 review was meant to pick up new knowledge and uncertainty - climate change, groundwater connectivity, water availability other areas of new ecological knowledge. Now that there is NOT to be a review, doesn't this lock in our current draft plan without recourse to include new knowledge? What time frame would this lock us in to and when/how could we factor in this critical new knowledge?

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1. SDLs modelling (and related modelling of constraint removal, the Constraints Management Strategy, environmental outcomes achieved):

   A. Have any of the states requested modelling of the 4000GL scenario at any stage and what was the MDBA's response to them? Has the Minister for Environment asked the MDBA to model 4000GL without constraints?

The South Australian Government Response to the Draft Murray-Darling Basin Plan (16 April 2012) states "the MDBA must undertake, as a priority, further modelling (including 3200GL, 3500 GL and 4000 GL water recovery volumes) where system constraints are relaxed or removed to determine a water recovery volume that meets key environmental outcomes".

The Proposed Basin Plan - Authority's views and consultation on the matters raised by the Murray Darling Basin Ministerial Council – Volume 2 (August 2012) outlines the matter raised in the South Australian Government Response to the Draft Murray-Darling Basin Plan (16 April 2012) regarding a 4000GL water recovery volume. The MDBA considers that a water recovery target of 2750GL/y on long-term average is the right starting point to return enough environmental water to the Basin to achieve environmental objectives, whilst also ensuring that social and economic effects are best managed. Some higher flows cannot be achieved due to current constraints in the system. The Constraints Management Strategy will provide opportunities to take into account new information in any future reviews of the Basin Plan.

The Minister for Environment has not asked the MDBA to model 4000GL without constraints.

2. Expenditure of Water for the Future $8.9 billion, buybacks and infrastructure spending:

   A. In the most recent version of the Draft Plan it is evident that all the billions set aside for these reforms will be consumed by only achieving 2750GL for the river? Why is this the case and at what point did this become clear in the MDBA's budgeting?

   B. Why does the Draft Plan prioritise spending on infrastructure rather than buy backs when the latter is far more cost effective?

   C. To go above the GL range proposed by the latest version of the Draft, how much extra money would it cost to reach 4000GL for the environment if the water is to be obtained through infrastructure? How much would it cost to find up to 4000GL through buybacks?

Being answered by the Department of Sustainability, Environment, Water, Population and Communities.

3. Groundwater extraction:

   A. The August edition of the Draft Plan proposes increases to the Basin Plan of 1700GL over current levels of take. This comes on the back of the Authority previously proposing an increase of 2600GL which has now been pulled back. Given there is so much uncertainty about the interconnectivity of surface and groundwater, what is the scientific basis for these significant shifts in proposed groundwater extraction?

   The Authority revised the total of groundwater Sustainable Diversion Limits (SDLs) from 4,340 GL/y in the proposed Basin plan (November 2011) to 3,184 GL/y in the revised Basin Plan (May 2012). Submissions on the proposed Basin Plan (November 2011) raised significant concerns about the groundwater SDLs. In response to these issues raised in the submissions the Authority undertook further analysis and consulted with a number of groundwater experts.

   The analysis and consultation resulted in revisions to the total of groundwater SDLs with the most significant changes being made to the proposed groundwater SDLs in the areas with unassigned groundwater. Unassigned groundwater is the groundwater that can be made available for consumptive use above the baseline diversion limit.

   Further information on the basis of the change in the total of groundwater SDLs can be found in the proposed Basin Plan consultation report (May 2012) available at http://www.mdba.gov.au/proposed-basin-plan/consultation-report and in the Authority's

views on the matters raised by Ministerial Council, Volume 1 report (August 2012) available at http://download.mdba.gov.au/altered-PBP/APBP-Authoritys-views-vol1.pdf.

B. What does the Authority say to the Wentworth Group's complaints that increased extraction is planned to occur in the Goulburn-Murray Deep and Wimmera with no justification for their sustainability?

The SDLs of 20 GL/y were determined in conjunction with advice from independent groundwater experts and Victorian Government officers and in the view of the Authority represent an environmentally sustainable level of take for these systems.

The inclusion of the Goulburn-Murray Deep and Wimmera-Mallee Deep SDL resource units in the altered draft Basin Plan is in line with the requirements of the *Water Act 2007*:

- requiring water resource plan and SDL resource unit boundaries to align as closely as possible with state planning boundaries; and
- not including a depth limit in its definition of Basin Water resources.

Victoria is currently revising groundwater planning boundaries, and the SDL areas in Victoria in the altered Basin Plan (August 2012) were revised to reflect the proposed state boundaries, which include depth limits.

As there is no depth limit on Basin groundwater resources, the Goulburn-Murray Deep and Wimmera-Mallee Deep SDL resource units were included to ensure comprehensive coverage of the Basin's groundwater resources.

If there is no SDL set the SDL is considered to be zero. Any take in such an area would be considered a breach of the Basin Plan.

4. Adjustment mechanism/2015 review:

A. Can you confirm that the adjustment mechanism could result in public funding going into underwriting infrastructure expenditure that would benefit irrigators and not the environment? If further public money goes to infrastructure and works and measures, why are the water savings not going back to the public good (the river?)

The idea behind the adjustment mechanism is that SDLs can be increased or decreased within certain boundaries, provided measures are adopted that allow this to occur on a 'no regrets' basis. Thus, if SDLs are to be increased via the mechanism, there must be measures that allow achievement of equivalent environmental outcomes using less water (for example, through changes to river operating rules).

If SDLs are to be decreased via the mechanism, there must be measures that allow achievement of equivalent socio-economic impacts (for example, through recovery of water through investment in more efficient irrigation infrastructure).

B. Throughout 2012 we heard repeatedly from the MDBA that the 2015 review was meant to pick up new knowledge and uncertainty - climate change, groundwater connectivity, water availability other areas of new ecological knowledge. Now that there is NOT to be a review, doesn't this lock in our current draft plan without recourse to include new knowledge? What time frame would this lock us in to and when/how could we factor in this critical new knowledge?

No. Section 6.06 of the August 2012 altered Basin Plan provides for further work resulting in new knowledge to be considered in future reviews of the Basin Plan. As with the previous proposal for a 2015 review, any changes resulting from new knowledge could be included by the MDBA in an amendment to the Basin Plan.