



## **Australian Government**

Australian Government response to the  
House of Representatives Regional Australia Committee  
report:

Report into certain matters relating to the proposed  
Murray-Darling Basin Plan

DECEMBER 2012

*Government Response to Report into certain matters relating to the proposed Murray-Darling Basin Plan*

The Australian Government welcomes the House of Representatives Standing Committee on Regional Australia's report: *Report into certain matters relating to the proposed Murray-Darling Basin Plan*. The final report was presented on 6 July 2012, and made four recommendations. The Government's response to each of these recommendations is set out below.

The Murray-Darling Basin Authority (the MDBA) released the revised Proposed Basin Plan on 28 May 2012 after taking into consideration the 12,000 public submissions it received during a 20-week public consultation period.

On 29 May 2012, the Minister for Sustainability, Environment, Water, Population and Communities, the Hon Tony Burke MP (the Minister for Water) asked the Committee to inquire into and report on certain matters concerning the revised Proposed Basin Plan (as released on 28 May 2012).

On 6 August 2012, the MDBA released the Altered Proposed Basin Plan, taking into account the views of the Ministerial Council.

On 13 September and 1 November 2012, the Minister for Water made suggestions for changes to the Altered Proposed Basin Plan under section 44(1) of the *Water Act 2007*. The suggestions took full account of the recommendations from jurisdictions, parliamentary committees and community meetings.

The final Basin Plan was signed into law by the Minister on 22 November 2012 and tabled in the Parliament on 26 November 2012.

In response to the findings of the Committee's earlier report *Of Drought and Flooding Rains: Inquiry into the impact of the Guide to the Murray-Darling Basin Plan in Regional Australia* (the Windsor Inquiry), the Government has announced a number of measures which include:

- establishing a separate Commonwealth Environmental Water Office to support the Commonwealth Environmental Water Holder;
- conducting only targeted water purchases during 2012 and committing to not consider general tenders in the southern connected Basin until 2013;
- consulting with stakeholders on the development of a sub-system reconfiguration program;
- investing in identifying and assessing the feasibility of environmental works and measures that may offset the Sustainable Diversion Limit (SDL) reductions;
- continuing to work with the Basin States on an implementation strategy for the Basin Plan;
- establishing the Office of Water Science;
- advancing work with the Basin States to improve Basin river management efficiency; and
- publishing a draft water recovery strategy on 22 November 2012 to provide greater transparency and certainty to communities about how the water purchase program will be implemented.

### **Recommendation 1**

**The Committee recommends that the Commonwealth Government release a water recovery strategy well in advance of the introduction of the Basin Plan to the Parliament.**

Disagree.

The draft Environmental Water Recovery Strategy was released on 22 November 2012 prior to the Basin Plan being tabled in the Parliament on 26 November 2012.

The Government considers there would have been limited value from releasing a draft water recovery strategy prior to this time as the content of the final Basin Plan was not known.

### **Recommendation 2**

**The Committee recommends that the Commonwealth Government release the proposal for Commonwealth Environmental Water Holder water trading well in advance to the introduction of the Basin Plan to the Parliament.**

Disagree.

The Commonwealth Environmental Water Office released a discussion paper in November 2011, outlining a range of issues associated with the trade of Commonwealth environmental water, for public consultation.

Forty four submissions were received on the discussion paper from a range of stakeholders including national and state industry groups, irrigation corporations, state government agencies, water brokers and individuals. The majority of submissions either explicitly supported or were generally in agreement with trading by the Commonwealth Environmental Water Office. Most submissions indicated that the discussion paper was a positive step in developing a trading framework and welcomed the opportunity to participate in the consultation process. A summary of the submissions to the discussion paper can be found at: <http://www.environment.gov.au/ewater/publications/water-trade-discussion-paper.html>.

The Commonwealth Environmental Water Office discussed the proposed trading framework with Basin stakeholders to develop arrangements that give confidence to participants in the water market. A position paper will be released in due course.

### **Recommendation 3**

**The Committee recommends that the Commonwealth Government develop a mechanism to adjust sustainable diversion limits automatically in response to efficiencies gained by environmental works and measures.**

Agree in principle.

The Basin Plan includes an adjustment mechanism that allows for the SDLs to be changed while maintaining or improving social and economic outcomes. This process does not operate automatically. It requires assessment of proposals to change SDLs against criteria included in the Basin Plan

#### **Recommendation 4**

**The Committee recommends that the Commonwealth Government, as a matter of urgency, look seriously at further initiatives to improve river and irrigation management and monitoring.**

Agree in principle.

The Government is implementing a wide range of initiatives to improve river and irrigation management and monitoring, including through the Government's Sustainable Rural Water Use and Infrastructure Program (SRWUIP) and a number of measures included in the Basin Plan.

The Government welcomes examples of environmental works and measures projects identified by the Committee. Details of the current status of these projects are in Attachment A.

The Government notes there has been significant investment in environmental works and measures through joint funding with Basin states (The Living Murray Initiative), as well as separate state projects. The Government has made a further investment of \$10 million for states to assess the feasibility of additional projects of their choice, as well as assess community-led proposals. These feasibility assessments will become available during 2012 and 2013.

The Basin Plan includes a requirement for the MDBA to develop a Constraints Management Strategy, in consultation with Basin states and the public within 12 months of the Basin Plan being made. The Strategy would:

- identify and describe the physical, operational and management constraints that are affecting, or have the potential to affect, environmental water delivery;
- evaluate options, opportunities and risks to water users, communities and the environment, associated with relaxing or removing key constraints and improving environmental benefits through the effective and efficient delivery of environmental water;
- assess the impacts of modifications of constraints on environmental water delivery and third parties, as well as downstream impacts, and assesses options to address those impacts; and
- identify mechanisms by which impacts on third parties can be addressed.

As stated in the response to the committee's inquiry *Of Drought and Flooding Rains: Inquiry into the impact of the Guide to the Murray-Darling Basin Plan in Regional Australia*, the Government is also supporting initiatives such as the National Framework for Compliance and Enforcement Systems for Water Resource Management and the National Framework for Non-urban Water Metering.

**WATER SAVING PROPOSALS IDENTIFIED BY THE COMMITTEE IN APPENDIX D OF  
THE COMMITTEE'S REPORT  
(RECOMMENDATION 4)**

Of the 17 water saving proposals identified by the Committee, 12 projects (or similar projects in the same area) are receiving or have received Commonwealth funding and are in various stages of development, as summarised below.

- Lindsay Island Strategic Infrastructure and Focussed Watering Program (proposals 1, 4 and 5): The Living Murray (TLM) program and the Victorian Government are funding a package of works that forms stage one of a larger plan for Lindsay Island. Design funding was approved in December 2010, and construction is proposed for 2013 for a total estimated cost of \$7 million. Earlier TLM works valued at \$3 million were completed in 2007. In addition the Victorian Government is receiving funding support of \$1.1 million under the SRWUIP Environmental Works and Measures Feasibility (EWMF) program to revise concept designs and undertake further studies for stage two.
- Torrumbarry to Wakool bypass (proposal 6): There are two bypass projects in the Torrumbarry Weir area. The SRWUIP EWMF program is providing \$450,000 to the Victorian Government to revise concept designs and undertake further studies for a channel and regulator to deliver water from above Torrumbarry Weir to Gunbower Forest. In addition a project under TLM is constructing a channel ('Torrumbarry Cutting') and a regulator to divert water into the Koondrook-Perricoota State Forest from above Torrumbarry Weir. The total budget for this project is \$75.7 million and is due for completion in mid 2013.
- Red gum forests in Victoria (proposal 7): The Victorian Government is receiving \$200,000 under the SRWUIP EWMF program to revise concept designs and undertake further studies at various red gum forest sites between Echuca and the South Australian border.
- Menindee Lakes reconfiguration (proposal 8): Commonwealth funding of up to \$400 million under SRWUIP is currently available for achievement of reforms to infrastructure and management of the Menindee Lakes. Extensive technical investigations have been carried out to identify the most feasible approach for achieving improved water management, including the assessment of groundwater reserves in the Menindee region as a possible supplementary supply option. Subject to approval by the Australian and New South Wales Governments, officials have agreed in-principle on the scope of proposed infrastructure works and related operational rules at Menindee Lakes.
- Reconfiguration of Lowbidgee Irrigation District (proposal 9): The NSW Government has received funding support of \$200,000 under SRWUIP EWMF program for the Nimmie-Caira System Enhanced Environmental Water Delivery sub-project to investigate the potential to enhance environmental water delivery to key ecological assets in the Lower Murrumbidgee floodplain. This study has now been completed and has resulted in the submission of a Business Case to the Commonwealth seeking funding for the implementation of the project. The Business Case is currently subject to due diligence assessment by the Commonwealth.
- Murrumbidgee Computer Aided River Management System (Proposal 11): The Murrumbidgee Water for Rivers project is being finalised. The project received Commonwealth funding of \$23.5 million for 20 GL (high security) and 20 GL (general security) for better management of the Murrumbidgee River. Commonwealth funding has also been provided under round one of the On-Farm Irrigation Efficiency Program for \$16.9 million for on farm works in the Murrumbidgee, delivering 8 GL of general water security entitlement.

- Water Industry Alliance South Australian River Murray Improvements Program (proposal 12): The South Australian Government is receiving up to \$1.2 million from the Commonwealth to develop a feasibility study and business case. On 28 October 2012, the Commonwealth Government announced a further commitment of up to \$265 million to South Australia. Subject to due diligence, the funding includes up to \$180 million from the SRWUIP for the South Australian River Murray Improvements Program, as well as up to \$85 million for research, development and industry redevelopment in regional South Australia.
- Adelaide desalination project (proposal 13): the Commonwealth is providing \$328 million (\$100 million for the 50 GL plant and \$228 million for the expansion of the plant to 100 GL per year).
- Reconfiguring drainage in south eastern South Australia (proposals 14 and 16): The South Australian government received \$1.98 million for investigation under the Coorong, Lower Lakes and Murray Mouth Recovery Project as a State led State Priority Project.

Three proposals covering operation and management of Lake Victoria flows (proposals 2 and 3) and Snowy Scheme flows (proposal, 10) are receiving Commonwealth support through various initiatives to review and potentially change current river operation, management rules and constraints to improve the efficiency and effectiveness of water delivery. For example, the River Murray Systems Operations Review is a long-term review by the MDBA to assess existing river operations for the River Murray System against current and future requirements (including those in the Basin Plan.)

The proposal on Real Time Lower Lakes management (proposal 17), is being considered in the development of the *Real Time Management Strategy* which will provide guidance on what actions should be taken when the Lower Lakes reach certain levels.

Some objectives of the proposal on reconfiguring Murray lakes in South Australia (proposal 15) to control acidity and salt are identified as desired outcomes of the Coorong, Lower Lakes and Murray Mouth Recovery Project