

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 21

Hearing: Supplementary Budget Estimates

Outcome: Outcome 4

Programme: Water Efficiency Division

Topic: Desalination Plant SA

Hansard Page: 93

Question Date: 18 November 2013

Question Type: Spoken

Senator Ruston asked:

Senator RUSTON: What were the water return requirements of the South Australian government for the Commonwealth funding that was provided to them for both the first and second stages of the desalination plant?

Ms Harwood: I cannot give you the figures off the top of my head. There was one which was a straight yield of permanent entitlement and then there was an arrangement which provides for an environmental yield average through time, the actual format and reporting structure of which was negotiated with the authority. Just to be certain, can I take on notice the precise water yield figures which were contracted with that?

Senator RUSTON: Yes, that is fine. The first one was the six GL. That was on the public record—quite widely reported. It is more the proposed 120 GL ten-year rolling average that I am concerned about. If you could provide some information about how that works—what are the triggers, under what conditions it occurs, how the rolling average works et cetera—that would be appreciated. Also, please take on notice whether that particular water is required to go back as part of Adelaide's reduction in water usage or whether the South Australian government, through its state water allocation plan, is able to access water from irrigators or other water use to provide that water back to the Commonwealth Environmental Water Holder.

Ms Harwood: I will take that on notice

Answer:

The 100 gegalitres (GL) desalination plant was constructed under the management of South Australian (SA) Water to secure and diversify Adelaide's water supply by delivering a climate-independent source of drinking water. In 2008, the Australian Government committed \$100 million to assist the SA Government to build a 50 GL per year plant. In 2009, a further \$228 million was allocated for the expansion of the plant to 100 GL per year.

An Implementation Plan (the Plan), agreed to by the Commonwealth and the SA Government, was signed in 2011. This Plan provided detail on the funding, milestones, payments and the Environmental Provision associated with the 100 GL plant.

Under the Plan, the SA Government was required to secure a 6 GL high reliability environmental provision during 2012-13. The Murray-Darling Basin Authority (MDBA) advised the Department that this 6 GL was secured by the end of November 2012.

Also under the Plan, an Eligible Year for the Environmental Provision is when at least 1,600 GL of water is allocated in that year to SA via the MDBA allocation announcement process, and the SA Government's Critical Human Water Needs (204 GL) have been secured for the following year.

In Eligible years, after 1,600 GL are allocated to SA, the next 12 GL will be allocated to the Environmental Provision; once these 12 GL have been provided, 5 per cent of all subsequent inflows up to 1,850 GL will be allocated to the Environmental Provision.

A maximum of 120 GL will be provided to the Environmental Provision over any 10 year rolling period of Eligible Years. Any years which are not Eligible Years will be excluded from the rolling year period. This water is held and managed by the SA Government for environmental purposes.

The Environmental Provision is used for environmental purposes in the SA portion of the Murray-Darling Basin and is not returned to the Commonwealth.