

SENATE ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE

INQUIRY INTO THE WATER AMENDMENT (PURCHASE LIMIT REPEAL) BILL 2019

PUBLIC HEARING

12 MARCH 2019

DEPARTMENT OF AGRICULTURE AND WATER RESOURCES - QUESTIONS TAKEN ON NOTICE

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Senator URQUHART: The department's submission states that the department has continued to purchase water since the cap has been in place. How much has been purchased since the cap took effect?

Mr Morris: We'll dig out those numbers for you.

Senator URQUHART: Okay. Can you tell me how much has been purchased since the cap took effect and also how much has been purchased since September 2013.

Ms Colreavy: I think it would be better if we took that on notice. I can talk about some key purchases, but I think there were some very small volumes around 2013-14, which I just don't have in my head here.

Senator URQUHART: So you don't have the paperwork there?

Ms Colreavy: It would be better to provide that separately.

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Senator STORER: I had some other questions, but Senator Urquhart has laid them out. So I will be interested in the information that you provide on those. I do have one question. How much water was purchased before the cap was introduced, which I think was in 2015, and how much water has been purchased after the cap?

Mr Morris: The numbers I gave earlier were from the middle of 2016. We don't have numbers from 2015.

Senator STORER: I am interested in that. Could you take that on notice?

Mr Morris: Yes.

Answers (combined):

Since the 1,500 gigalitre cap was introduced on 13 April 2016, the Commonwealth has purchased 61.3 gigalitres of surface water. Of this total, 2.9 gigalitres of water purchased from the SA Government in May 2016 is exempt from the 1500 gigalitre cap, consistent with the *Water Act 2007* (Cth) (s85B, C and D).

A further 35 gigalitres of groundwater has also been purchased since 13 April 2016. This comprises 2.7 gigalitres that is registered with the Commonwealth, 8.7 gigalitres that is contracted and 23.6 gigalitres that has been accepted and is undergoing legal checks as part of our standard conveyancing process.

Prior to the introduction of the 1,500 gigalitre cap on 13 April 2016, a total of 1,165.5 gigalitres of surface water was purchased. No groundwater water was purchased prior to the introduction of the cap.

Since September 2013, 87 gigalitres of surface water has been recovered through purchase and is currently registered with the Commonwealth. A further 35 gigalitres of groundwater has also been purchased since this date.

Please note that all figures are expressed in terms of long term average annual yield (LTAAY). While the 1,500 gigalitre cap only applies to surface water purchases, groundwater figures have also been included for completeness.

A table summarising water recovery and expenditure in the Murray-Darling Basin between 2007 and 2019 is enclosed at **Attachment A**. Please note that the table presents water recovery by financial year, as opposed to recovery before or after the introduction of the 1,500 gigalitre cap.

Please also note that the table reflects expenditure by settlement date (for purchases) and milestone payment date (for infrastructure). Water recovery volumes are reported by the date on which the water was received, estimated or agreed in signed contracts. Because water recovery volumes can change up until a contract is exchanged, reported volumes may be subject to change over time. Due to the different reporting points for expenditure and recovery, some water recovery activities may span multiple years. For example, a contract signed in one financial year may have been settled in the following financial year.

ATTACHMENT A:

Commonwealth water recovery and associated expenditure in the Murray-Darling Basin (as at 30 November 2018)

(Infrastructure expenditure includes all activities in the MDB)

Financial Year	Purchase (\$m)	Purchase (GL)	Infrastructure (\$m)	Infrastructure (GL)
2007-08	33.10	14.42	86.00	0.00
2008-09	371.70	243.84	55.80	0.00
2009-10	780.20	310.59	189.10	0.81
2010-11	357.70	201.43	221.20	66.48
2011-12	540.90	310.87	527.60	185.03
2012-13	112.90	56.80	520.50	77.60
2013-14	55.90	21.44	492.40	259.65
2014-15	60.80	2.91	557.10	28.75
2015-16	40.00	8.49	262.60	27.63
2016-17	23.86	32.37	507.10	61.52
2017-18	117.23	26.44	426.37	2.42
2018-19	0.08	6.01	25.14	0.00
Total	2494.37	1235.61	3870.91	709.89

NOTES:

1. Allow for minor rounding.
2. All water recoveries figures are expressed in long term average annual yield (LTAAY) terms. Surface water average annual yields are calculated using the current long-term diversion limit equivalent factors (v2.05) agreed to by Ministerial Council in November 2011, except for recoveries in the Warrego SDL Resource Unit, which are consistent with the Warrego-Paroo-Nebine Water Resource Plan accredited in June 2017. All Overland Flow water recoveries have their factors individually modelled by the Murray-Darling Basin Authority.
3. The purchase and infrastructure expenditure corresponds to settlement and infrastructure milestone payment dates and therefore does not align with the reported water volumes for that FY.
4. Water recovery is reported at the point at which water savings or purchase have been received, estimated or agreed in signed contracts. Until water transfer contracts have been exchanged however, water volumes may be subject to change over time.
5. Infrastructure recoveries include water recoveries from SRWUIP and SARMSP.
6. Purchase groundwater recoveries included in 2015-16 financial year (2.7 GL) and 2018-19 financial year (6.0 GL).
7. Expenditure represents actual Administered expenditure. Infrastructure expenditure includes SRWUIP expenditure in the Murray-Darling Basin and SA River Murray Sustainability Program funding (\$120m efficiency and purchase component). Note that some infrastructure expenditure relates to projects that do not deliver gap bridging water, eg. SA Coorong, Lower Lakes and Murray Mouth Recovery project.
8. Water Smart Australia water recovery of 2.4 GL has been excluded as it is not possible to identify the portion of project funding that achieved this recovery.
9. Environmental water recovery from the SA Riverine Recovery Project (6.5 GL) has been excluded.
10. NSW Office of Water increased all Barwon-Darling licences by 9% on the 12 January 2015. As the water recoveries involved in this increase were Pre Sept 2013, the additional water is recorded in the same period.