

Question on notice no. 239

Portfolio question number: SQ24-000586

2024-25 Budget estimates

Environment and Communications Committee, Climate Change, Energy, the Environment and Water Portfolio

Senator Perin Davey: asked the Department of Climate Change, Energy, the Environment and Water on 19 June 2024—

- (1. In 2024-25 Budget paper No 3: Implementation of Constraints Measures it states NSW received \$20 m in 2023-24, what was the \$20 million spent on? Where any constraints removed or was this funding for consultants and departmental expenses?
2. In 2024-25 Budget paper No 3: Implementation of Constraints Measures it states Victoria received \$6.4 m in 2023-24, what was the \$6.4 million spent on? Where any constraints removed or was this funding for consultants and departmental expenses?
3. Budget Paper No 3: highlights there is no funding allocated for constraints from 2024-25, 2025-26 and \$100 million allocated for constraints in 2026-27. Is it the Governments intention to spend no funding on removing constraints until 2026-27?
4. How much has been paid to each basin state and territory since 2017-18 via payments from the Commonwealth for the removal of constraints?
5. How much was spent on the actual removal of constraints and not just on the approval process (business cases, environmental approval etc) How many constraints have been removed since 2018?
6. How much has been spent by states on departmental and consultant fees to develop business cases and finalise approvals?
7. How many constraint business cases have been completed since 2018? What projects are they associated with? Has work begun on the ground to remove the constraint? When will it be completed?
8. Which projects are solely constraints projects and funded from the constrains funding and which projects are funded from the SDLAM/ Sustainable rural water use and infrastructure program?

Answer —

Please see attached answer.

Environment and Communications
Answers to questions on notice
Climate Change, Energy, the Environment and Water Portfolio

Question No: SQ24-000586
Hearing: Budget Estimates
Outcome: Outcome 4
Division/Agency: Water Infrastructure and Investment Division
Topic: Constraints Measures
Question Date: 19 June 2024
Question Type: Written

Senator Davey asked:

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4. How much has been paid to each basin state and territory since 2017-18 via payments from the Commonwealth for the removal of constraints?
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8. Which projects are solely constraints projects and funded from the constrains funding and which projects are funded from the SDLAM/ Sustainable rural water use and infrastructure program?

Water for the Environment Special Account

The Water for the Environment Special Account (WESA) sets aside Commonwealth funding to pay for projects that contribute to enhancing the environmental outcomes that can be achieved by the Basin Plan. This may include improving the water efficiency of irrigation infrastructure, purchasing water for the environment, or addressing any detrimental social or economic impact associated with a project or water purchase.

Implementation of Constraints Measures^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2023-24	20.0	6.4	-	-	-	-	-	-	26.4
2024-25	-	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-	-
2026-27	~	~	-	-	~	-	-	-	100.0
2027-28	-	-	-	-	-	-	-	-	-
Total	20.0	6.4	-	-	~	-	-	-	126.4

a) Totals include unallocated funding.

The Australian Government is providing funding to New South Wales, Victoria and South Australia to ease or remove physical and operational constraints that restrict the delivery of water to environmental assets. Measures are being implemented in and along the Murray, Murrumbidgee and Goulburn rivers of the Murray-Darling Basin. Funding for constraints measures is also provided under the Sustainable Rural and Water Use and Infrastructure Program.

A new measure associated with this item is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2024–25*.

Answer:

1. The funding is for milestones due for completion in 2023-24 as part of Schedule A to *Stage 1 Funding for New South Wales Supply and Constraints Measures (Amendment 5)*.

Stage 1 activities are focused on the development of a final business case and completion of required environmental and technical assessments and approvals. Removal of physical constraints will occur during Stage 2 implementation, except for some no-regrets early works activities that may be possible simultaneously with remaining Stage 1 activities being completed.

2. The funding is for milestones due for completion in 2023-24 as part of Schedule E to *Stage 1 Funding for Victorian Constraints Measures Program (Amended)*.

Please see response to Q1 for explanation of the nature and timing of Stage 1 and Stage 2 activities.

3. In addition to the Water for the Environment Special Account (WESA), the Commonwealth funds some constraints projects from the Sustainable Rural Water Use and Infrastructure Program (SRWUIP) if they are also notified to the Murray-Darling Basin Authority as supply measures.

For 2024-25 and 2025-26 the Commonwealth has allocated approximately \$44 million from SRWUIP for milestones related to constraints projects.

4. From 1 July 2017 to 31 May 2024 the Commonwealth made payments to New South Wales, South Australia and Victoria for constraints and constraints-as-supply projects from the WESA and the SRWUIP as per the following table.

State	WESA (\$m)	SRWUIP (\$m)	Total (\$m)
NSW	61.393	19.343	80.736
SA	2.495	3.939	6.434
VIC	7.745	0	7.745
Total	71.663	23.282	94.916

5. From 1 July 2017 to 31 May 2024 the Commonwealth provided \$94.916 million to New South Wales, South Australia and Victoria to progress constraints and constraints-as-supply projects.

A total of \$71.663 million was provided by the Commonwealth from the WESA to New South Wales, South Australia and Victoria to progress Stage 1 activities focused on the development of a final business case and completion of required environmental and technical assessments and approvals.

A total of \$23.282 million was provided by the Commonwealth from the SRWUIP to New South Wales and South Australia to progress 'early works' activities, those being initial on-ground activities that could be undertaken concurrently with Stage 1 type activities.

6. This is a question for state governments.

7. To date, the Commonwealth has not made payment to a Basin state for an agreed milestone which included a completed final business case for a constraints measure.
8. The New Goulburn constraints measure (Victoria) (replacing Goulburn River key focus area constraints-as-supply measure) is the only project defined by the Murray-Darling Basin Authority (MDBA) as a constraints only measure. There are a further four projects defined by the MDBA as constraints-as-supply measures:
 1. Hume to Yarrawonga key focus area (Victoria and New South Wales)
 2. Murrumbidgee key focus area (New South Wales)
 3. SA Murray key focus area (South Australia)
 4. Yarrawonga to Wakool junction key focus area (Victoria and New South Wales)

Constraints only and constraints-as-supply measures are funded by the Commonwealth from the WESA. The exception to this has been early works activities for the both the SA Murray key focus area (South Australia) and Yarrawonga to Wakool junction key focus area (New South Wales) which received funding from the Commonwealth from the SRWUIP. As mentioned in the response to Q3, the Commonwealth funds some constraints projects from the SRWUIP if they are also notified to the Murray-Darling Basin Authority as supply measures.

For further information please see the MDBA Register of measures <https://www.mdba.gov.au/publications-and-data/publications/sustainable-diversion-limit-adjustment-mechanism-register>).