

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

Question No: 88
Hearing: Additional Estimates
Outcome: Outcome 4
Programme: Water (WTR)
Topic: Water Purchasing
Hansard Page: N/A
Question Date: 23 February 2015
Question Type: Written

Senator Xenophon asked:

1. Under the Murray-Darling Basin plan the Government has a target of recovering 2750GL of water. How much of this target has so far been achieved?
2. How much water has been recovered by buy-backs?
3. How much did these buy-backs cost in total and per GL?
4. How many GL are yet to be recovered so that we meet the target?
5. How will this remaining water be recovered?
6. How much was this expected to cost?
7. How much per GL will it cost?
8. Wouldn't it be quicker, cheaper and able to be verified if the Government continued to buy-back water of willing sellers?

Answer:

1. As at 31 January 2015, a total of 1,951.1GL in long term average annual yield (LTAAY) terms has been recovered towards bridging the gap to the 2750GL (LTAAY) required under the Basin Plan. This is 71 per cent of the target.
2. As at 31 January 2015, a total of 1,162.3 GL (LTAAY) has been recovered through water purchasing initiatives.
3. The 1,162.3 GL (LTAAY) of purchase will cost \$2,426 million in total. On average, the cost per gigalitre is \$2.09 million.
4. The amount to be recovered will be dependent on the outcome of the operation of the Sustainable Diversion Limits Adjustment Mechanism in 2016.
5. Supply measure offsets, returns from further irrigation efficiency projects and purchasing, will, in combination, meet the remaining gap of 799 GL. .
6. and 7. The final cost will depend on the level of offsets attributed to the supply measures proposed under the Sustainable Diversion Limits Adjustment Mechanism, which will operate in 2016-17 and the location and cost of future water saving recoveries from infrastructure projects.
8. The priority for future recovery of gap bridging water will be through infrastructure investment. This approach will strengthen Basin communities and industries, while also delivering the Basin Plan's environmental outcomes. Water recovery through these projects delivers quantifiable water entitlements that will bridge the gap. The Government will continue to evaluate opportunities for strategic purchase opportunities up to the cap of 1,500 GL.