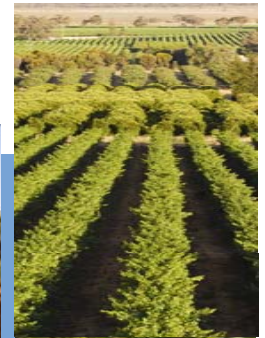


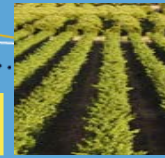


Australian Government

**Department of the Environment,
Water, Heritage and the Arts**



Richard McLoughlin
Assistant Secretary
Water Group



Content of this Presentation

- Water for the Future Overview
- Water Infrastructure commitments in NSW
- Water Purchasing Program
- Strengthening Basin Communities
- Environmental Water Management



Water for the Future

\$12.9 billion national investment program over 10 years, with four priorities:

- Taking action on climate change
- Using water wisely
- Securing water supplies
- Supporting healthy rivers

Programs focused on rural communities:

- Restoring the Balance in the Basin Program (\$3.1 billion), for purchasing water entitlements from willing sellers
- Sustainable Rural Water Use and Infrastructure Program (\$5.8 billion)



Water for the Future programs

- Sustainable Rural Water Use and Infrastructure
- Restoring the Balance in the Basin (water purchasing)
- National Urban Water and Desalination Plan
- Water Smart Australia
- Driving Reform in the Basin
- Improving Water Information (Bureau of Meteorology)
- National Water Security Plan for Cities and Towns
- National Rainwater and Greywater Initiatives
- Raising National Water Standards (National Water Commission)
- Living Murray Initiative
- Great Artesian Basin
- Northern Australia Futures
- **Strengthening Basin Communities**



NSW Rural Infrastructure Commitments

The Commonwealth has committed to provide around \$1.8 billion for New South Wales rural and regional water infrastructure projects, including:

- Up to \$137 million for projects that reduce water loss on farms by piping stock and domestic supply systems;
- Up to \$300 million for modernising the infrastructure associated with direct river diverters;
- Up to \$221 million to upgrade the accuracy of water metering;
- A further \$50 million to improve the management of water on the floodplains through modifications to floodplain structures and extractions;
- \$650 million to private irrigators to support water saving upgrades of private irrigation infrastructure; and
- Up to \$400 million to secure Broken Hills water supply and reduce water losses at Menindee Lakes
- Election commitment projects at Lithgow, Oberon and Nyngan/Warren



NSW Private Irrigation Infrastructure Operators (PIIO) Program

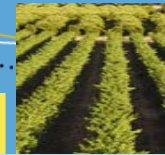
- **Program Objectives**

- ❖ To acquire water entitlements resulting from water savings ;
 - Water savings generated through projects which improve the efficiency and productivity of water use and management
- ❖ To securing a sustainable future for irrigation communities;
- ❖ To allow PIIO's and their customers to minimise water losses and manage water allocations more efficiently;
- ❖ To assist irrigation communities adapt to reduced water availability due to climate change;
- Current allocation of funds for the program is \$650 million;
- Based on comprehensive modernisation plans, funded by Commonwealth
- Program now open for applications, closing 27 November 2009.



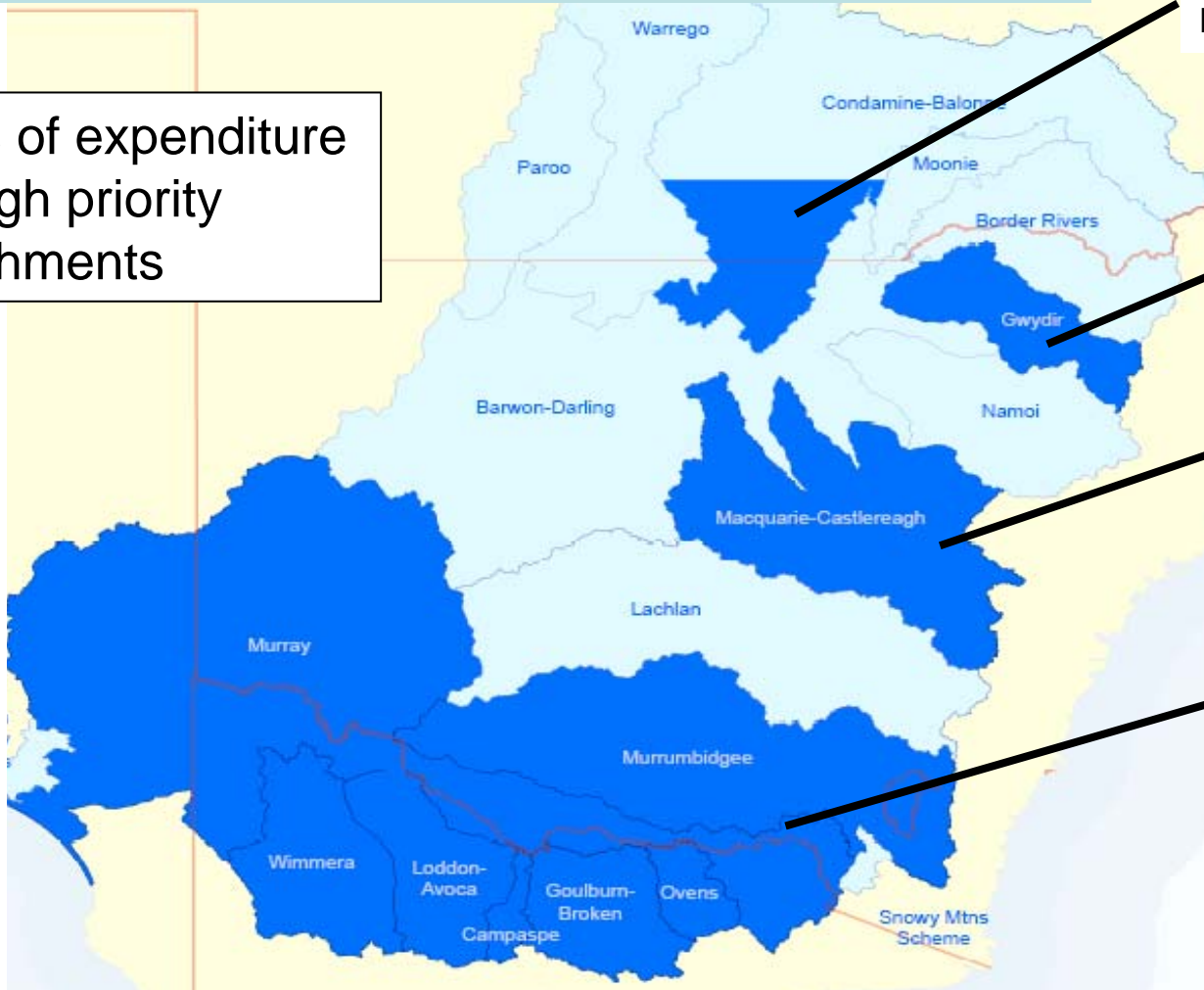
Water Purchasing in the Basin in 2008/09

- Northern Tender: closed 30 June 2009
- Southern Tender: closed 30 June 2009
- Criteria for Purchases:
 - Unmet environmental watering needs
 - Capacity to deliver water to target sites
 - Cost of entitlements



2008-09 Tender Purchases

90% of expenditure in high priority catchments



Lower Balonne – no purchases

Gwydir - 22% of total purchases

Macquarie - 9% of total purchases

Southern Connected System - 59% of total purchases

NSW 19%

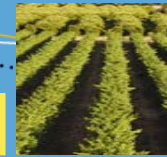
Vic 36%

SA 4%



2008-09 Tender Outcomes

State	Exchanged/settled		Cost
	Entitlement (GL)	Average Water Yield (GL)	
NSW	363 GL	184 GL (58%)	\$475m
QLD	0.4 GL	0.17 GL (1%)	\$1m
Vic	131.6 GL	118 GL (38%)	\$285.5m
SA	12 GL	11 GL (3%)	\$28.5m
TOTAL	507 GL	313 GL(100%)	\$790m



Overall Program Outcomes

State	Exchanged/Settled	
	Volume (GL)	Average Water Yield (GL)
NSW	393.4	207
Vic	139	124.6
QLD	0.4	0.17
SA	12.4	11.2
Total	545	343

Figures correct as at 31 August 2009 and include Toorale



Impact of State Restrictions on Trade

NSW Embargo

- 29 May 2009 - no further environmental water purchases by the Commonwealth in NSW
- 9 July 2009 - changes to the embargo have reduced the flexibility to deliver environmental water
- Ongoing negotiations between the Australian and NSW Governments to lift embargo

Victoria - Water for the Environment Agreement

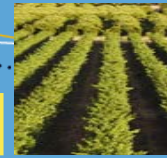
- Phase out of all trade limits by 2011 and remove all by 2014
- Ability to now purchase at least 460 GL from Victoria over 5 years (starting in 2008-09)



Strengthening Basin Communities Program

Overview

- The Australian Government has committed \$200 million from the *Water for the Future* funds to establish the Strengthening Basin Communities program:
 - to develop community wide plans for a future with less water; and
 - to invest in water saving initiatives that meet the future needs of communities.



Program Components

Planning

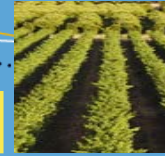
- Up to \$20 Million available to local government organisations to undertake planning:
 - as individual local governments or,
 - as part of a consortium of local governments or,
 - as an established regional organisation of councils
- Round 1 closed 21 August 2009
 - 39 applications received and assessed from
 - 93 individual local government organisations
 - 4 Regional Councils
- Round 2 anticipated to be held in 2010 - 2011



Program Components

Water Saving Initiatives

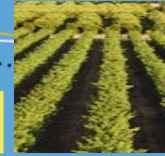
- \$180 million available to improve urban/town water security through water saving initiatives that reduce demand on potable supplies.
- Who can apply?:
 - local governments bodies; and
 - urban water service providers.
- Round 1
 - opened 2 September 2009
 - closes 6 November 2009
 - notification of outcome in January/February 2010
- Round 2 anticipated to be held in 2010 - 2011



Program Components

Water Saving Initiatives

- Eligible projects:
 - An infrastructure project that must be located in a city or town in the Murray-Darling Basin
 - have costs of at least \$500,000,
 - 50% of costs to be provided by the proponent,
 - be part of or support the long term water supply plan for the city or town and,
 - be completed by 30 June 2012.

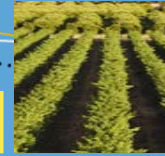


Program Components

Water Saving Initiatives

- Level of financial assistance.
 - Australian Government contribution based on the application:
 - minimum \$250,000
 - maximum \$10 million
 - capped at 50% of costs
 - no additional funds available for cost overruns.

 - Funds available:
 - from the 2009-10 financial year,
 - to the end of the 2011-12 financial year.



Program Components

Water Saving Initiatives - Types of eligible projects

- Recycling and reuse
- Leakage and pressure reduction
- Smart metering
- Efficient urban irrigation technologies
- Demand management programs
- Storm water capture and reuse
- Desalination
- Water sensitive design initiatives.



Management of Environmental Water Holdings

Water for the Future

- Water purchased from willing sellers with entitlements to be managed by the Commonwealth
- Where water is saved through infrastructure investment a share of the water will be acquired by the Commonwealth and managed by the CEWH

Commonwealth Environmental Water Holder (CEWH)

- Established under the *Water Act 2007* to manage the Commonwealth environmental water holdings
- Independent statutory position with the function of protecting or restoring environmental assets so as to give effect to international agreements.
- Needs to act in accordance with the MDBA environmental watering plan when in place.



Commonwealth Environmental Water Holdings

Commonwealth Water Holdings (at 21 August 2009)

Total CEWH holdings in the Murray-Darling Basin are 213.5 GL; 78.6 GL in the southern-connected Murray

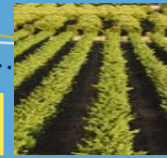
Allocations are currently very low (the same as other entitlement holders)

The environmental needs greatly exceed current allocations so the CEWH needs to prioritise Commonwealth environmental water use

Making Decisions on Environmental Watering

Input is provided by jurisdictions and local site managers on watering options for the use of Commonwealth water

CEWH receives advice on watering priorities from an independent environmental water science committee



Environmental Water Use 2008-09

- The first environmental watering by the CEWH occurred earlier this year.
- 10.9 billion litres (GL) of environmental water was allocated to 10 separate sites across the Murray-Darling Basin.
- The watering is intended to maintain stands of River Red Gum trees, pockets of healthy ecosystems in drought affected floodplains and wetlands, and refuges for threatened species.



Criteria for Evaluating Environmental Water Use in 2009-10

- For 2009-10 the CEWH is reviewing options for use of Commonwealth water against a set of evaluation criteria.
- The criteria assess issues such as the ecological significance of the asset, the expected ecological outcomes, potential risks, the long term sustainability of the asset, and cost effectiveness/operational feasibility.
- The criteria and further information about the Commonwealth's environmental water holdings are available at:

<http://www.environment.gov.au/water>



Australian Government

Department of the Environment, Water, Heritage and the Arts



Thank you

For further information on all **Water for the Future** Programs, log on to:

www.environment.gov.au

Click on Water tab