



Australian Government

# WATER for the FUTURE

## Restoring the Balance in the Murray-Darling Basin

The Australian Government is committed to restoring the health of our rivers by investing in more efficient water use and delivery, by finding new sources of water, and buying water entitlements from interested sellers to return water to the environment.

The health of the Murray-Darling Basin (the Basin) is in decline. The ecosystems which rely on the water flowing through the Basin's rivers and tributaries are under considerable pressure, due to unsustainable extraction levels for irrigation and other extractive uses. This problem is likely to become worse as water availability declines, due to climate change.

Without sufficient water, the Basin's ecosystems will continue to deteriorate, threatening many species and the viability of farming, non-rural production, cities and towns.

*Water for the Future* is a 10-year initiative, helping Australia plan for a future with less water. As part of the initiative, \$3.1 billion will be invested in *Restoring the Balance in the Murray-Darling Basin* to purchase water entitlements from irrigators looking to sell.

There is compelling scientific evidence that we are facing a future with less water. The purchase of water entitlements is part of an integrated effort to meet this challenge. It is important to take a national approach to water management and this is exactly what the Australian Government is doing by implementing an integrated plan for the Murray-Darling Basin; not just water buy-backs.

The Australian Government's plan to help Basin communities meet the challenges ahead has three main elements: the Basin Plan, which will be implemented by the Murray-Darling Basin Authority and will set scientifically based sustainable limits on water use; buying water entitlements for our rivers and wetlands; and extensive investment in more efficient irrigation systems. It is critical that immediate action is taken to address these problems.

Under *Water for the Future*, excessive consumptive use and declining river health are urgent priorities and these are to be addressed immediately by the *Restoring the Balance in the Murray-Darling Basin* program.

The goal of the program is to purchase water entitlements so that the water allocated to them can be used for the environment. This will improve the health of the Basin's rivers, wetlands and floodplains.



Walker Flat South Australia (J Baker & DEWHA)

By purchasing water entitlements from irrigators and investing in water savings through improved irrigation efficiency, we expect the transition to the Basin Plan to be smoother and any impacts on communities to be smaller.

The water buy-back program is providing immediate action for the Basin's stressed rivers and wetlands and it is also part of a long-term strategy to provide a permanent rebalancing between consumptive water use and the environment.

The Australian Government conducted the first round of water purchases in 2007-08. In 2008-09 a second round of water purchase tenders was conducted. As part of the 2008-09 water purchase tenders, the Australian Government made the largest single purchase of water for the environment in Australia's history when it purchased 240 gigalitres of water entitlements from Twynam Agricultural Group for \$303 million.

These water entitlements will be used to restore river and wetland health in many stressed catchments, potentially benefiting the ecologically significant wetlands of the Macquarie Marshes, Gwydir Wetlands, Booligal Wetlands, and Fivebough and Tuckerbill Swamps.

In September 2008, the Australian Government provided a substantial financial contribution to the NSW Government's purchase of Toorale Station in return for the Toorale Station water entitlements.

*Water for the Future* is preparing Australia for a future with less water. The 10-year initiative is addressing four key priorities:

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

Through the Toorale Station purchase, the Commonwealth will acquire entitlements to extract 16 gigalitres of water from the Warrego and Darling Rivers each year, along with rights to harvest water from the floodplain. In securing these water entitlements and floodplain harvesting rights, the deal will return an average of 20 gigalitres of water to the Darling River each year, peaking at up to 80 gigalitres in flood years.

As at 30 April 2010 the *Restoring the Balance in the Murray-Darling Basin* program had secured the purchase of 803 gigalitres of water entitlements worth around \$1.28 billion. The progress of the program, including updated information on the outcomes of the water purchase tenders, is regularly updated on the Department's website at: [www.environment.gov.au/water/policy-programs/entitlement-purchasing](http://www.environment.gov.au/water/policy-programs/entitlement-purchasing)

The Australian Government recently conducted three water purchasing tenders with an aggregate budget of \$270 million in the southern connected system of the Murray-Darling Basin. The three tenders were run in January, March and May 2010.

A \$100 million water purchase tender was also run in the Queensland section of the Lower Balonne catchment from March to May 2010.

These tenders will add to the outcomes achieved by the *Restoring the Balance in the Murray-Darling Basin* program.

The water rights acquired by the Commonwealth under *Water for the Future* become part of the Commonwealth environmental water holdings. These holdings are managed by the Commonwealth Environmental Water Holder (CEWH).

The CEWH uses the water allocated to the registered holdings for protecting and restoring environmental assets in the Basin. To date the CEWH has allocated approximately 120 gigalitres of environmental water for use at 29 river, floodplain and wetland sites in New South Wales, South Australia and Victoria. Information on watering activities can be found on the CEWH's website: [www.environment.gov.au/water/policy-programs/cewh](http://www.environment.gov.au/water/policy-programs/cewh)

In June 2009 the Water Recovery and Environmental Use Stakeholder Reference Panel was established. The panel provides stakeholder views to the Department on the arrangements for environmental water purchases under the *Restoring the Balance in the Murray-Darling Basin* program, and provides feedback on the proposed arrangements for managing the water allocated to entitlements the Commonwealth has bought for the environment.

The panel comprises stakeholders from diverse backgrounds across the Basin. Panel members have been chosen so that feedback can be provided from a range of different perspectives and community interests. The panel's views will be considered by the Department as it refines, implements and evaluates *Water for the Future* programs.

The Murray-Darling system has had too much water taken out for too long. Now is the time to restore the balance, and investing in long-term water security for the environment will take the pressure off these important river systems.

### More information

For more information about the *Restoring the Balance in the Murray-Darling Basin* program, including information on future water purchasing activity, call 1800 218 478; email: [waterpurchasing@environment.gov.au](mailto:waterpurchasing@environment.gov.au) or visit [www.environment.gov.au/waterpurchasing](http://www.environment.gov.au/waterpurchasing)

For more information about environmental watering visit [www.environment.gov.au/water/policy-programs/cewh/index.html](http://www.environment.gov.au/water/policy-programs/cewh/index.html)

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