



Securing our nation's water management

The Australian Government is delivering critical water infrastructure, fixing the broken water markets, and protecting the health of the Murray-Darling Basin.

The government is delivering a strong, responsible and reliable water plan—for communities, for agriculture, for industry and for the environment that sustains us all.

On the driest inhabited continent on earth, water is our most precious resource. The government will better manage our nation's water for the future.

This Budget includes:

- \$197.1 million towards critical water infrastructure projects through the National Water Grid Fund.
- \$32.7 million to support strong, efficient and transparent water markets
- \$103.7 million for the Murray—Darling Basin Authority (MDBA) to future-proof the Basin through a once-in-a-decade review of water management.

Since the last Budget, the government has:

- Announced a once-in-a-generation reform of our water markets to deliver water security to farmers and industry
- Commenced the voluntary tender process to buy 44.3 gigalitres (GL) of water to Bridge the Gap under the Murray—Darling Basin Plan (Basin Plan) and meet the 49GL target, an important step towards delivering the Basin Plan in full
- Acted under the expanded National Water Grid Fund Investment Framework to allow funding for a broader range of projects including essential town water supplies in regional and remote communities, including for First Nations communities. This has enabled us to:
 - Take action towards water infrastructure projects in regional Australia committed through the October 2022-23 Budget
 - Announce \$150 million will be allocated within the National Water Grid Fund to invest in critical water infrastructure projects in First Nations regional and remote communities.

Why is this important and who will benefit?

Delivering national water infrastructure

The Australian Government will provide national long-term water security through well-planned construction projects.

The Budget invests in providing safe, reliable and secure water for regional and remote communities, including:

- \$109.0 million towards the construction of the Northern Midlands Irrigation Scheme in Tasmania
- \$62.1 million towards construction of the Sassafras-Wesley Vale Irrigation Scheme Augmentation in Tasmania
- \$26.1 million towards construction of the Quality Water for Wannon project in Victoria

In addition, the Australian Government is planning for the future through investment in important business case work, including:

- \$3.7 million towards the Coliban Regional Rural Modernisation Detailed Business Case in Victoria
- \$1.0 million towards the First Nations Essential Services Detailed Business Case in Western Australia.

We are also actively working with state and territory governments to understand the water infrastructure needs of First Nations remote communities.

We are also supporting First Nations participation in environmental water planning and decision-making, by investing \$3.5 million in the First Nations Environmental Water Partnerships Pilot Program. To be delivered by the Commonwealth Environmental Water Holder (CEWH), this program will support the development and implementation of partnership agreements with First Nations organisations in the Basin.

Reforming water markets

In October last year, the Australian Government and state and territory governments who manage the Murray—Darling Basin came together to endorse a once-in-a-generation reform of water markets.

The Budget invests \$32.7 million to continue to restore transparency, integrity and confidence in Australia's globally recognised \$1.8 billion water markets through improved information access for decision-makers and farmers.

We are making the integrity framework for water markets fit for purpose by strengthening the insider trading and record keeping rules, and introducing a new prohibition on market manipulation. The changes we are making will put in place new rules against insider trading and better data collection so everyone has access to market information.

The Australian Government is making sure water users have access to the information they need to ensure this critical resource is managed appropriately. This includes:

- A new water market hub – a digital platform for national water data management
- A new water markets website – allowing farmers to access live water market updates for the first time
- A new water market data standards – guaranteeing transparency and enforceability of the data being provided to the Bureau of Meteorology

This will be fundamental to the success of the government's broader water reform package as it restores confidence in Australia's water markets.

Future-proofing the health of the Murray-Darling Basin

The Australian Government is taking action to ensure a healthy, vibrant and sustainable Murray-Darling Basin into the future.

The Budget invests \$103.7 million in funding for the Murray-Darling Basin Authority (MDBA) to prepare for and deliver a review of the Murray-Darling Basin Plan (Basin Plan).

This forward-looking review is a once-in-a-decade opportunity to future-proof the Basin, based on updated science and information.

The review will be based on updated science and incorporate knowledge of First Nations people. It will consider the challenge posed by climate change and set the Basin up for the future, ensuring the river system is healthy and the Basin sustainable.

We are also committed to working with state and territory governments to fully implement the current Basin Plan.

We are already acting on this commitment, by opening a voluntary tender process in March 2023 to buy 44.3GL of water from willing sellers to Bridge the Gap under the Basin Plan and restore balance in the river system. The Australian Government is also working with the Australian Capital Territory to recover 4.9GL.

Investing responsibly in water security

The Australian Government is committed to responsible investment in water security and infrastructure, based on scientific evidence and business cases that stack up environmentally and economically.

We are working with state and territory governments to deliver the right solutions for water security for communities, industry and the environment.

The Budget makes responsible investment decisions by addressing legacy projects where there is presently no state, territory or local government partner, no clear pathway to delivery, or no strong economic case.

These projects may proceed following proper consideration and if they deliver good value to the community. Alternatively, other solutions may be considered.

The following projects have been cancelled:

- The \$595.0 million commitment to construct the Dungowan Dam in New South Wales
 - The detailed business case, and Infrastructure Australia's subsequent assessment of the business case, identified that there are more cost-effective water security options for Tamworth
 - The Australian Government will continue to fund construction of Stage 1 of the Dungowan Pipeline
 - The Australian Government is committed to working with the New South Wales Government to identify water security solutions for the Tamworth region.
- The \$162.5 million commitment to construct the Emu Swamp Dam and Pipeline in Queensland
 - The Emu Swamp Dam and Pipeline is now being considered against alternative options as part of the Southern and Darling Downs Regional Water Assessment
 - The Australian Government is committed to working with the Queensland Government to identify water security solutions for regional and remote communities, including in the Stanthorpe region.

- The \$35.0 million commitment to construct the Fingal Irrigation Scheme in Tasmania
 - Water sales did not demonstrate sufficient demand to proceed with construction
 - In consultation with the Tasmanian Government, this funding has been reallocated to support delivery of the expanded Northern Midlands Irrigation Scheme and Sassafras-Wesley Vale Irrigation Scheme Augmentation in Tasmania.
- The \$39.7 million commitment to construct the Southern Forests Irrigation Scheme in Western Australia
 - Preconstruction activities, including revised water modelling and extensive stakeholder consultation, did not demonstrate sufficient support for proceeding with construction of the Southern Forests Irrigation Scheme.

The Australian Government's construction commitment for the Wyangala Dam Wall Raising project in New South Wales and the Hughenden Irrigation Scheme project in Queensland remains deferred.

Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

© Commonwealth of Australia 2023

Unless otherwise noted, copyright (and any other intellectual property rights) in this publication is owned by the Commonwealth of Australia (referred to as the Commonwealth).

All material in this publication is licensed under a [Creative Commons Attribution 4.0 International Licence](#) except content supplied by third parties, logos and the Commonwealth Coat of Arms.

The Australian Government acting through the Department of Climate Change, Energy, the Environment and Water has exercised due care and skill in preparing and compiling the information and data in this publication. Notwithstanding, the Department of Climate Change, Energy, the Environment and Water, its employees and advisers disclaim all liability, including liability for negligence and for any loss, damage, injury, expense or cost incurred by any person as a result of accessing, using or relying on any of the information or data in this publication to the maximum extent permitted by law.