



MEDIA RELEASE

Senator the Hon Penny Wong

Minister for Climate Change, Energy Efficiency and Water

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New water purchase tender announced for the Lower Balonne catchment

The Minister for Climate Change, Energy Efficiency and Water, Senator Penny Wong today announced a new \$100 million water purchase tender in Queensland's Lower Balonne, to commence on 22 March 2010.

The Lower Balonne purchase tender is part of the Australian Government's \$3.1 billion *Restoring the Balance in the Murray Darling Basin* water purchase program that is returning water to the Basin's rivers and wetlands.

"The best way to improve the health of the Basin's rivers is by reducing how much water we take from them," Senator Wong said.

"The fastest way to reduce how much we take from the rivers is by purchasing from the many willing sellers throughout the Basin."

As always, water entitlements offered to the Commonwealth for sale are subject to value-for-money assessment in the context of prevailing market prices, competing offers and potential environmental benefit.

"The Lower Balonne system has been identified as a high priority for environmental water recovery. Water purchases made through this tender will deliver long-term benefits by providing additional water to key environmental assets such as the Culgoa Floodplain and the Ramsar-listed Narran Lakes."

The path has been cleared for water entitlements in the Lower Balonne to be traded separately from land following a decision by the Supreme Court of Queensland. This has enabled the Queensland Government to introduce legislation into the Parliament that will finalise the Resource Operations Plan (ROP) governing the Lower Balonne.

"I welcome the news that the Queensland Government is moving to finalise the Lower Balonne part of the ROP because this will remove a major source of uncertainty for both buyers and sellers within the Lower Balonne," Senator Wong said.

The new tender will close on 16 April 2010, or 10 working days after the ROP is finalised, whichever is later. This will allow licence holders to fully assess the implications of the new ROP before finalising their tender bids.

This tender, which complements a series of tenders currently running in the southern-connected Murray-Darling system, is an important step towards meeting the Australian Government's commitment to purchase \$350 million of water entitlements in Queensland.

"By purchasing water from willing sellers and investing in irrigation infrastructure, the Australian Government is smoothing the transition for Basin communities as they adjust to new, lower water use limits that we can expect under the Basin Plan," Senator Wong said.

“To date the strong interest from Basin farmers seeking to sell their water assets to the Government also indicates that this program is helping farmers to retire debt, invest in farm upgrades, diversify farm operations, or exit irrigation with dignity.”

As at 28 February 2010, the Australian Government has secured the purchase of 798 billion litres of water entitlements for the Murray Darling Basin’s rivers and wetlands, worth some \$1.27 billion.

Copies of the guidelines and the application form for people willing to sell their water will be available at www.environment.gov.au/waterpurchasing on March 22 or can be obtained at that time by calling 1800 218 478.