

# Implementing Water Reform in the Murray-Darling Basin

## FEDERATION FUNDING AGREEMENT - ENVIRONMENT

**Table 1: Formalities and operation of schedule**

Parties	Commonwealth New South Wales Victoria Queensland South Australia Australian Capital Territory																														
Duration	This Schedule is expected to expire on 30 June 2021.																														
Purpose	This Schedule will support the continued delivery of Murray-Darling Basin water reforms by Basin States through implementation of the Murray-Darling Basin Plan and associated initiatives. The Schedule builds on the work already completed or underway by the Basin State Governments under the <i>National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin</i> which expired on 30 June 2020.																														
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to the States of \$5.0 million in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th colspan="3"><b>Table 1</b></th> </tr> <tr> <th><b>(\$s)</b></th> <th><b>2020-21</b></th> <th><b>Total</b></th> </tr> </thead> <tbody> <tr> <td><b>Estimated total budget</b></td> <td><b>5,000,000</b></td> <td><b>5,000,000</b></td> </tr> <tr> <td colspan="3">Less estimated National Partnership Payments</td> </tr> <tr> <td>- New South Wales</td> <td>2,350,525</td> <td>2,350,525</td> </tr> <tr> <td>- Victoria</td> <td>1,699,997</td> <td>1,699,997</td> </tr> <tr> <td>- Queensland</td> <td>496,210</td> <td>496,210</td> </tr> <tr> <td>- South Australia</td> <td>371,552</td> <td>371,552</td> </tr> <tr> <td>- Australian Capital Territory</td> <td>81,716</td> <td>81,716</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table>	<b>Table 1</b>			<b>(\$s)</b>	<b>2020-21</b>	<b>Total</b>	<b>Estimated total budget</b>	<b>5,000,000</b>	<b>5,000,000</b>	Less estimated National Partnership Payments			- New South Wales	2,350,525	2,350,525	- Victoria	1,699,997	1,699,997	- Queensland	496,210	496,210	- South Australia	371,552	371,552	- Australian Capital Territory	81,716	81,716	Balance of non-Commonwealth contributions	0.0	0.0
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Additional terms	<p>Each Basin State will report to the Commonwealth on or before Friday 26 February 2021 on its progress against all milestones and key performance indicators listed in its state table below. Using these reports and any supporting information, the Commonwealth Department of Agriculture, Water and the Environment (the Department) will assess each Basin State's performance against its milestones and advise the Commonwealth Minister with portfolio responsibility for water (the Minister) of its assessment.</p> <p>Basin States will be provided an opportunity to comment on its draft assessment before it is finalised and provided to the Minister.</p> <p>The Minister will authorise whether payment should be made to each Basin State, based on the funding arrangements set out in Table 1 and having regard to that Basin State's assessment report. In the case of an adverse assessment, the Minister may consider whether or not the adverse assessment is material to that state's cooperation with the reforms.</p>
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**Table 2A: New South Wales – Performance requirements, reporting and payment summary**

Output	Performance milestones	Key Performance Indicators	Milestone due	Payment
Progress ACT/NSW trade issue	<ol style="list-style-type: none"> <li>1. NSW progresses two-way trade issue through participation in independent/Department-led discussion process.</li> <li>2. NSW provides an update on progress to full BOC meeting.</li> </ol>	<ol style="list-style-type: none"> <li>1. Meaningful participation in discussions to develop a two-way retail trade framework, including a demonstrated willingness to reach a resolution.</li> <li>2. Update on progress to BOC members by the end of 2020.</li> </ol>	31/12/2020	100% of New South Wales payment in Table 1 (i.e. no partial payments)
Progress on water recovery	NSW assists Commonwealth efforts to progress water recovery to meet remaining bridging-the-gap commitments and further watery recovery towards the 62 GL of efficiency measures.	<ol style="list-style-type: none"> <li>1. NSW provides advice and support to the Department on bridging-the-gap water recovery projects and on the first 62 GL of efficiency measures projects, noting the Basin Plan provides for the recovery of up to 450 GL.</li> <li>2. NSW to develop an agreement with the Commonwealth to ensure there is a documented process to transfer water efficiency savings from stock and domestic projects funded by the Commonwealth.</li> </ol>	31/12/2020	
Supply and constraints measures	NSW progresses supply and constraints measures	<ol style="list-style-type: none"> <li>1. Demonstrated progress towards resolving outstanding issues between NSW and the Commonwealth as part of discussions on the SDLAM National Partnership for stage 2 implementation of supply and constraints measures.</li> <li>2. Support resolution of issues at BOC for consideration at MinCo.</li> </ol>	31/12/2020	
E-water protection – Northern Basin	NSW documents protocols for active management in the Lower Gwydir, Lower Macquarie and Barwon-Darling catchments.	NSW develops and then publishes on the NSW DPIE Website, Active Management Procedures Manuals that document protocols for active management in these catchments.	31/12/2020	
E-water – Southern Basin	NSW progresses E-water accounting and data sharing arrangements.	<ol style="list-style-type: none"> <li>1. NSW finalises documentation on operating arrangements for E-water delivery for the Murrumbidgee.</li> <li>2. NSW supports the development of the MDBA workplan for improving protection of environmental water in the southern Basin, including by participating in the process outlined to the Environmental Water Improvement Group by the MDBA.</li> </ol>	15/02/21	



Compliance actions	NSW demonstrates progress and commitment towards delivery of actions as agreed in the Compliance Compact.	<ol style="list-style-type: none"> <li>1. NSW demonstrates commitment towards delivery of actions as agreed in the Compliance Compact through participation in 2020 reporting to the MDBA.</li> <li>2. NSW participates in the Compliance Compact review being undertaken by the MDBA.</li> </ol>	31/12/2020 <i>aligned with MDBA reporting schedule</i>
Monitoring, Evaluation and Reporting	NSW continues participation in key Basin monitoring working groups and Basin Plan monitoring, evaluation and reporting requirements.	<ol style="list-style-type: none"> <li>1. NSW continues to participate in the Joint Venture Monitoring and Evaluation Steering Committee and the Monitoring and Evaluation Working Group.</li> <li>2. NSW delivers Schedule 12 Matter 8 and Matter 12 reports.</li> </ol>	31/12/2020

The Parties have confirmed their commitment to this schedule as follows:

**Signed for and on behalf of the Commonwealth of Australia by**

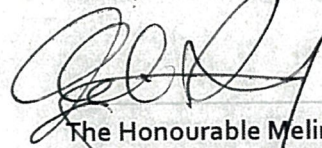


**The Honourable Keith Pitt MP**  
Minister for Resources, Water and Northern Australia

[Day] [Month] [Year]

15/3/21

**Signed for and on behalf of State of New South Wales by**



**The Honourable Melinda Pavey MP**  
Minister for Water, Property and Housing

29 01 2021  
[Day] [Month] [Year]

**Table 2B: Victoria – Performance requirements, reporting and payment summary**

Output	Performance milestones	Key Performance Indicators	Milestone due	Payment
Progress on water recovery	Victoria assists Commonwealth efforts to progress water recovery towards the Basin-wide target of 62 GL of efficiency measures.	Victoria provides advice and support to the Department on the first 62 GL of efficiency measures projects, noting the Basin Plan provides for the recovery of up to 450 GL.	31/12/2020	100% of Victoria payment in Table 1 (i.e. no partial payments)
Supply and constraints measures	Victoria progresses supply and constraints measures.	<ol style="list-style-type: none"> <li>1. Demonstrated progress towards resolving outstanding issues between Victoria and the Commonwealth as part of discussions on the SDLAM National Partnership for stage 2 implementation of supply and constraints measures.</li> <li>2. Support resolution of issues at BOC for consideration at MinCo.</li> </ol>	31/12/2020	
E-water – Southern Basin	Victoria progresses E-water accounting and data sharing arrangements.	<ol style="list-style-type: none"> <li>1. Victoria finalises documentation on operating arrangements for E-water delivery for the Goulburn.</li> <li>2. Victoria supports the development of the MDBA workplan for improving protection of environmental water in the southern Basin, including by participating in the process outlined to the Environmental Water Improvement Group by the MDBA..</li> </ol>	15/02/21	
Compliance actions	Victoria demonstrates progress and commitment towards delivery of actions as agreed in the Compliance Compact.	<ol style="list-style-type: none"> <li>1. Victoria demonstrates commitment towards delivery of actions as agreed in the Compliance Compact through participation in 2020 reporting to the MDBA</li> <li>2. Victoria participates in the Compliance Compact review being undertaken by the MDBA.</li> </ol>	31/12/2020 <i>aligned with MDBA reporting schedule</i>	
Long-term watering plans (LTWPs)	Victoria's LTWPs are reviewed for consistency with Basin Plan requirements, the Basin Wide Strategy as well as other jurisdictions' LTWPs.	LTWPs revised as they fall due or demonstrated progress toward development of revised LTWPs, including sharing with the MDBA the outcomes of a review of existing LTWPs and the scope and timing for any necessary updates.	31/12/2020	
Monitoring, Evaluation and Reporting	Victoria continues participation in key Basin monitoring working groups and Basin Plan monitoring, evaluation	<ol style="list-style-type: none"> <li>1. Victoria continues to participate in the Joint Venture Monitoring and Evaluation Steering Committee and the Monitoring and Evaluation Working Group.</li> </ol>	31/12/2020	

	and reporting requirements.	2. Victoria delivers Schedule 12 Matter 8 and Matter 12 reports.		
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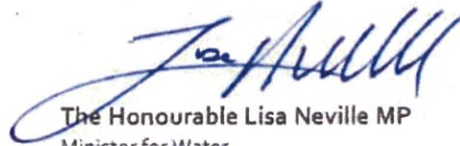


**The Honourable Keith Pitt MP**  
Minister for Resources, Water and Northern Australia

[Day] [Month] [Year]

9 / 3 / 21

Signed for and on behalf of the State of Victoria by



**The Honourable Lisa Neville MP**  
Minister for Water

[Day] [Month] [Year]

3 / 2 / 21



**Table 2C: Queensland – Performance requirements, reporting and payment summary**

Output	Performance milestones	Key Performance Indicators	Milestone due	Payment
Progress on water recovery	Queensland assists Commonwealth efforts to progress water recovery to meet remaining bridging-the-gap commitments and further water recovery towards the 62 GL of efficiency measures.	Queensland provides advice and support to the Department on bridging-the-gap water recovery projects and on the first 62 GL of efficiency measures projects, noting the Basin Plan provides for the recovery of up to 450 GL.	31/12/2020	100% of Queensland payment in Table 1 (i.e. no partial payments)
E-water protection – Northern Basin	<ol style="list-style-type: none"> <li>Queensland develops and documents environmental accounting methods for cross-border held environmental water in consultation with NSW and the CEWO.</li> <li>Queensland supports the Commonwealth in the assessment and development of toolkit projects.</li> </ol>	<ol style="list-style-type: none"> <li>Demonstrates progress toward meeting its commitment under Measure 2, Appendix A of the Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin including the development of an accounting method supported by protocols and procedures for Queensland-to-NSW cross-border held environmental water.</li> <li>Provides further information requested from the Commonwealth to enable assessment of toolkit feasibility proposals and negotiates a Commonwealth funding agreement to support development of full business cases for approved projects.</li> </ol>	31/12/2020	
Compliance actions	Queensland demonstrates progress and commitment towards delivery of actions as agreed in the Compliance Compact	<ol style="list-style-type: none"> <li>Queensland demonstrates commitment towards delivery of actions as agreed in the Compliance Compact through participation in 2020 reporting to the MDBA.</li> <li>Queensland participates in the Compliance Compact review being undertaken by the MDBA.</li> </ol>	31/12/2020 <i>aligned with MDBA reporting schedule</i>	
Long-term watering plans (LTWPs)	Queensland's LTWPs are reviewed for consistency with Basin Plan requirements, the Basin Wide Watering Strategy as well as other jurisdictions' LTWPs.	LTWPs revised as they fall due or demonstrated progress toward development of revised LTWPs, including sharing with the MDBA the outcomes of a review of existing LTWPs and the scope and timing for any necessary updates.	31/12/2020	
Monitoring, Evaluation and Reporting	Queensland continues participation in key Basin monitoring working groups and	1. Queensland continues to participate in the Joint Venture Monitoring and Evaluation Steering Committee and	31/12/2020	

	Basin monitoring, evaluation and reporting requirements.	the Monitoring and Evaluation Working Group. 2. Queensland delivers Schedule 12 Matter 8 and Matter 12 reports.		
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The Parties have confirmed their commitment to this schedule as follows:

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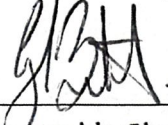


The Honourable Keith Pitt MP  
Minister for Resources, Water and Northern Australia

[Day] [Month] [Year]

16/3/21

Signed for and on behalf of the State of Queensland by



The Honourable Glenn Butcher MP  
Minister for Regional Development and Manufacturing and Minister for Water

[Day] [Month] [Year]



**Table 2D: South Australia – Performance requirements, reporting and payment summary**

Output	Performance milestones	Key Performance Indicators	Milestone due	Payment
Progress on water recovery	SA assists Commonwealth efforts to progress water recovery towards the Basin-wide target of 62 GL of efficiency measures.	SA provides advice and support to the Department on the first 62 GL of efficiency measures projects, noting the Basin Plan provides for the recovery of up to 450 GL.	31/12/2020	100% of South Australia payment in Table 1 (i.e. no partial payments)
Supply and constraints measures	SA progresses supply and constraints measures.	<ol style="list-style-type: none"> <li>1. Demonstrated progress towards resolving outstanding issues between SA and the Commonwealth as part of discussions on the SDLAM National Partnership for stage 2 implementation of supply and constraints measures.</li> <li>2. Support resolution of issues at BOC for consideration at MinCo.</li> </ol>	31/12/2020	
E-water – Southern Basin	SA progresses E-water accounting and data sharing arrangements.	SA supports the development of the MDBA workplan for improving protection of environmental water in the southern Basin, including by participating in the process outlined to the Environmental Water Improvement Group by the MDBA..	15/02/21	
Compliance actions	SA demonstrates progress and commitment towards delivery of actions as agreed in the Compliance Compact.	<ol style="list-style-type: none"> <li>1. SA demonstrates commitment towards delivery of actions as agreed in the Compliance Compact, in particular the SA schedule, through participation in 2020 reporting to the MDBA.</li> <li>2. SA participates in the Compliance Compact review being undertaken by the MDBA</li> </ol>	31/12/2020 <i>aligned with MDBA reporting schedule</i>	
Long-term watering plans (LTWPs)	SA's LTWPs are reviewed for consistency with Basin Plan requirements, the Basin Wide Watering Strategy as well as other jurisdictions' LTWPs.	LTWPs revised as they fall due or demonstrated progress toward development of revised LTWPs, including sharing with the MDBA the outcomes of a review of existing LTWPs and the scope and timing for any necessary updates.	31/12/2020	
Monitoring, Evaluation and Reporting	SA continues participation in key Basin monitoring working groups and Basin Plan monitoring, evaluation and reporting requirements.	<ol style="list-style-type: none"> <li>1. SA continues to participate in the Joint Venture Monitoring and Evaluation Steering Committee and the Monitoring and Evaluation Working Group.</li> <li>2. SA delivers Schedule 12 Matter 8 and Matter 12 reports.</li> </ol>	31/12/2020	

The Parties have confirmed their commitment to this schedule as follows:

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of Australia by



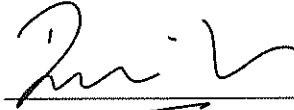
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**The Honourable Keith Pitt MP**  
Minister for Resources, Water and Northern Australia

[Day] [Month] [Year]

9/3/21

Signed for and on behalf of the  
State of South Australia by



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**The Honourable David Speirs MP**  
Minister for Environment and Water

[Day] [Month] [Year]

02 Jan 2021



**Table 2E: Australian Capital Territory – Performance requirements, reporting and payment summary**

Output	Performance milestones	Key Performance Indicators	Milestone due	Payment
Progress ACT/NSW trade issue	<p>1. ACT progresses two-way trade issue through participation in independent/Department-led discussion process.</p> <p>2. ACT provides an update on progress to full BOC meeting.</p>	<p>1. Meaningful participation in discussions to develop a two-way retail trade framework, including a demonstrated willingness to reach a resolution.</p> <p>2. Update on progress to BOC members by the end of 2020.</p>	31/12/2020	100% of Australian Capital Territory payment in Table 1 (i.e. no partial payments)
Progress on water recovery	ACT assists Commonwealth efforts to progress water recovery to meet remaining bridging-the-gap commitments and further water recovery towards the 62 GL of efficiency measures.	1. ACT provides advice and support to the Department on bridging-the-gap water recovery projects and on the first 62 GL of efficiency measures projects, noting the Basin Plan provides for the recovery of up to 450 GL.	31/12/2020	
Compliance actions	ACT demonstrates progress and commitment towards delivery of actions as agreed in the Compliance Compact.	<p>1. ACT demonstrates commitment towards delivery of actions as agreed in the Compliance Compact through participation in 2020 reporting to the MDBA.</p> <p>2. ACT participates in the Compliance Compact review being undertaken by the MDBA.</p>	31/12/2020 <i>aligned with MDBA reporting schedule</i>	
Monitoring, Evaluation and Reporting	ACT continues participation in key Basin monitoring working groups and Basin Plan monitoring, evaluation and reporting requirements.	<p>1. ACT continues to participate in the Joint Venture Monitoring and Evaluation Steering Committee and the Monitoring and Evaluation Working Group.</p> <p>2. ACT delivers Schedule 12 Matter 8 and Matter 12 reports.</p>	31/12/2020	
Urban water accounting	ACT progresses urban stormwater accounting arrangements including increased runoff and stormwater harvesting.	ACT produces issues paper for consideration at BOC on urban water accounting arrangements regarding increased runoff and stormwater harvesting.	31/12/2020	

The Parties have confirmed their commitment to this schedule as follows:

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of Australia by

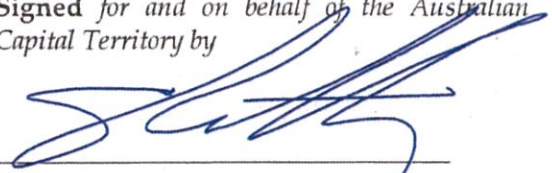


**The Honourable Keith Pitt MP**  
Minister for Resources, Water and Northern Australia

[Day] [Month] [Year]

9/3/21

Signed for and on behalf of the Australian  
Capital Territory by



**Mr Shane Rattenbury MLA**  
Minister for Water, Energy and Emissions Reduction

[Day] [Month] [Year]

22/12/20