Implementing Water Reform in the Murray–Darling Basin

FEDERATION FUNDING AGREEMENT - ENVIRONMENT

Table 1: Form	Table 1: Formalities and operation of schedule			
Parties	Commonwealth Victoria			
Duration	This Schedule is expected to expire on 30 June 2028.			
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 water reform.			
	The Schedule is further to the work completed or underway by Basin States under the National Partnership Agreement on Implementing Water Reform in the Murray—Darling Basin which expired on 30 June 2020, and the Implementing Water Reform in the Murray—Darling Basin (2021/22—2023/4) schedule to the Federation Funding Agreement—Environment which was due to expire on 30 June 2024 (subject to completion of the initiative, including final performance reporting and processing of final payments against milestones).			

Estimated financial contributions

The Commonwealth will provide an estimated total financial contribution to Victoria of up to \$19.13 million in respect of this Schedule.

Table 1 (\$ million)	2024- 25	2025 -26	2026 -27	2027 -28	Total
Estimated total budget	5.737	5.737	4.783	2.873	19.13
Less estimated Commonwealth contributions Victoria	5.737	5.737	4.783	2.873	19.13
Balance of non-Commonwealth contributions	0	0	0	0	0

Additional terms

Milestones and Key Performance Indicators

Basin States will respond to requests for advice or guidance on the development of policy, regulatory or standards instruments to support the Key Performance Indicators (KPIs) in Table 2B

Reporting & Payment Process

The reporting period is listed in the header of the table below (Table 2B). Each Basin State will report to the Commonwealth on or before the reporting date listed in the header of the table below against all milestones and key performance indicators (KPIs) as listed in Table 2B.

Using these reports and any supporting information (including that provided by the Murray–Darling Basin Authority (MDBA), the Commonwealth Environmental Water Holder, the Inspector-General of Water Compliance (IGWC)), the Bureau of Meteorology (the Bureau), and the Commonwealth Department of Climate Change, Energy, the Environment and Water (the Department)) will assess each Basin State's progress against its KPIs.

The Commonwealth will take into account where one Basin State has completed all actions required to fulfill an outcome (or output), but another Basin State or Commonwealth entity has not fulfilled their actions required to complete the outcome or output.

All milestones and KPIs are subject to acceptance and satisfaction by the Commonwealth that they have been 'met'. Basin States will receive payment upon fulfillment of the milestones and KPIs in Table 2B.

The Department will advise the Commonwealth Minister with portfolio responsibility for water (the Minister) of its assessment. The Minister's delegate exercising delegation authority under clause 41 of the Federation Funding Agreement – Environment will authorise payment to be made to each Basin State based on the funding arrangements in Table 1, and performance milestones and KPIs in relevant Basin State tables.

Basin States will be advised by the Department as to the outcomes of the assessment as soon as possible.

After payment is authorised, and Basin States have been notified, the Department will prepare an annual assessment report for publication on its website. The Basin States will be provided with an opportunity to comment before the report is published.

Roles and responsibilities of Commonwealth agencies

As the administrator of the Schedule, the Department (including the Water Divisions, Commonwealth Environmental Water Holder, and other relevant areas) is responsible for monitoring, evaluation and final reporting on performance by the Basin States. The annual assessment report is made public for increased transparency and accountability.

Basin States will work closely with the Department, MDBA, the IGWC and the Bureau to deliver several Key Performance Indicators (KPIs). The Department will consult with the MDBA, IGWC and the Bureau when assessing relevant KPIs.

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

Year 1: 2024-2025

Milestone report due: 28 February 2025

Reporting period — 01 July 2024 to 28 February 2025

Output	Performance milestones	Key Performance Indicators	Payment
Water recovery	1. Work with the Commonwealth to deliver the 450 GL/year target for enhanced environmental outcomes via the Restoring our Rivers framework.	1.a Provide advice when requested to Commonwealth on approaches* to deliver water recovery programs towards reaching the 450 GL/year target of additional environmental water under the Restoring our Rivers Framework. *This includes advice on the establishment the Resilient Rivers Water Infrastructure Program with the Commonwealth, and delivering on infrastructure projects, rules changes, or other mechanisms to recover water for enhanced environmental outcomes (particularly those associated with Schedule 5 of the Basin Plan).	\$ 238,000
		1.b Provide advice when requested to Commonwealth on the approaches* to deliver water recovery programs towards reaching the 450 GL/year target of additional environmental water via the Restoring our Rivers Framework. *This includes providing advice during the establishment and the implementation of the Commonwealth's Voluntary Water Purchase Program towards recovery of 450 GL target on	\$ 238,000
Coordinated environmental water use	2. Deliver an agreed Basin- wide Environmental Water Protection Strategy and Implementation Plan.	specific matters requested by the Commonwealth. 2.a Work with the Commonwealth and other Basin states via the Environmental Water Committee to develop and deliver an agreed annual forward work plan of priority collaborative activities in addition to those specific to individual jurisdictions to deliver the Environmental Water Protection Strategy and Implementation Plan, where relevant to Victoria.	\$ 147,000
	, i	Basin States are also to actively engage in EWC processes to agree and deliver annual collaborative activities to further improve protection of environmental water and contribute to connectivity.	

	2		
Coordinated	3. Deliver against pre- requisite policy measures for protected environmental flows.	3.a Basin States are to deliver against pre-requisite policy measures (PPMs) and other environmental protection mechanisms to ensure that new methods are implemented as soon as practicable (i.e. methods should be implemented in less than three months from the date upon which the method is agreed upon by the relevant Working Group or Committee.)	\$ 147,000
environmental water use (cont'd)	4. Deliver environmental water accounting data and information	4.a Environmental water accounting data and information (i.e. water use and return flows) at monthly time period is provided to the Commonwealth Environmental Water Holder (and other environmental water holders) for adaptive management purposes.	\$ 93,000
	5. Improve environmental watering plans and strategies, including by updating Long-Term	5.a Engage with all stakeholders (including First Nations) in the development of environmental water plans or priorities when required; and in the implementation, review and update of LTWPs.	\$ 147,000
	Watering Plans (LTWPs) within agreed timeframes.	5.b Provide input to the next edition of the Basin- wide Environmental Watering Strategy.	\$ 147,000
Water Quality	6. Support the review of Basin Plan water quality targets and objectives	6.a Basin States are to contribute to the review of Basin Plan water quality and salinity targets and objectives as led by the Water Quality Advisory Panel (WQAP).	\$ 147,000
		This contribution will be via attendance at WQAP meetings and/or written reports or equivalent written correspondence as required by WQAP.	
	7. Improve river management functions' consideration of water quality	7.a The Southern Basin States via the Environmental Water Committee (EWC) and River Murray Operations Committee (RMOC) to identify options and deliver actions to improve how river management functions consider water quality.	\$ 147,000
	8. Deliver a new or updated Cold Water Pollution Strategy	8.a Basin States are to develop a new or renewed Cold Water Pollution Strategy, noting that there may be an equivalent Strategy under a different name in a particular jurisdiction.	\$ 93,000
Implementation of the Basin Plan	9. Implement the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) program, where	g.a Basin states are to actively work with the Commonwealth and each other to inform the Murray-Darling Basin Authority's Constraints Relaxation Roadmap and to agree flow rates.'	\$ 238,000
	not funded under other agreements.	9.b Basin states are to actively work with the Commonwealth and each other to:	\$ 147,000
		 review existing SDLAM projects to determine project deliverability by 31 December 2026 propose and assess any new or amended SDLAM projects via the Basin Officials Committee agreed process 	

		 develop and submit funding proposals (including feasibility proposals) where relevant to the Commonwealth for the Commonwealth Minister's consideration. follow approved process for completion of VIC supply projects.' 	,
	a er	g.c Basin states are to actively work with the Commonwealth and each other to identify and address issues, challenges and impediments to SDLAM program outcomes, including: cooperating with any reviews conducted by the Commonwealth in relation to SDLAM Program, including providing additional information as requested.	\$ 147,000
Implementation of the Basin Plan (cont'd)		g.d Basin states are to actively work with the Commonwealth and each other to identify and address issues, challenges and impediments to SDLAM program outcomes, including: Commit to updating register of measures as per agreed processes upon project completion or as soon as practicable.	\$ 147,000
		g.e Basin states are to actively work with the Commonwealth and each other to identify and address issues, challenges and impediments to SDLAM program outcomes, including: Provide members for the SDLAM technical working group and contribute towards assessing technical elements of notification amendments, and other technical matters relating to SDLAM reconciliation.	\$ 147,000
		g.f Southern connected Basin States are to identify, develop and progress any required changes to the River Murray Operations Framework and Murray-Darling Basin Agreement. *Any changes to the framework are to be agreed by all relevant jurisdictions.	\$ 238,000
	10. Contribute to delivery of the MDBA-led SDL Accounting Framework Improvement Strategy 2020-2025 work plan or	10.a Contribute to developing a work plan to implement current and future iterations of the Sustainable Diversion Limit (SDL) Accounting Framework Improvement Strategy led by the MDBA and agreed by BOC Alternates.	\$ 147,000
	future work plans,	10.b Implement the SDL Accounting Framework Improvement Strategy work plan led by the MDBA, as relevant to the jurisdiction.	\$ 147,000
3	11. Deliver required Basin Plan monitoring, evaluation,	11.a Deliver Basin Plan monitoring and reporting under Schedule 12.	\$ 147,000

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	science and reporting.	11.b Contribute to the 2025 Basin Plan Evaluation, including review of draft reports and findings.	\$ 238,000
Implementation of the Basin Plan (cont'd)		11.c Support the MDBA to deliver on agreed strategic activities under the Basin Monitoring Evaluation and Reporting Working Group annual work plan as endorsed by BOC Alternates and agreed with a particular jurisdiction.	\$ 147,000
	12. States support the MDBA in delivery of its Sustainable Yields Project up until 31 December 2025 by attending interjurisdictional meetings and undertaking technical review.	Provision of advice and guidance to support project planning and outcomes review. Supporting development of reference and hydroclimate scenarios for the purposes of the Basin Plan Review	\$ 238,000
Statutory Review	13. Contribute to statutory	13. a Basin States to:	\$ 93,000
Processes	review processes	 Attend a minimum of 90% of meetings as organized by the MDBA (as required) on the Basin Plan review. 	
		 provide information to the MDBA as requested by the MDBA towards the Basin Plan review. Information provision to MDBA should be based on all reasonable requests and consistent with data sharing agreements. 	
Water Market Improvement	14. Contribute to the implementation of water markets reforms as specific in the Market Reform: Final Roadmap Report (2022).	• ensure that up-to-date information on all relevant Commonwealth statutory instruments giving effect to water market reforms is posted on the appropriate Basin state website and/or communicated to stakeholders within each jurisdiction	\$ 147,000
	y	 engage with the Commonwealth, throughout the development of statutory instruments prescribed under the Restoring Our Rivers Act 2023 (Cth) (the Act) including: 	
		 the Water Markets Intermediaries Code and associated regulations under Part 5 of the Act 	
į.		 Water markets decisions under Part 5A of the Act 	
		 Water market information under Part 7A of the Act. 	
		 review and provide comment, into policy papers and Exposure Drafts for Commonwealth, including, but not limited to: 	

	y	 Policy papers: Water Markets Decisions, Water Markets Information and Water Markets Intermediaries Code and associated regulations, including educational materials Exposure draft: Water Markets Intermediaries Code and associated regulations 	
		(These requirements contribute to Recommendations 1-5 and 9 of the Water Market Reform: Final Roadmap Report).	
Water Market Improvement (cont'd)		14.b Provide an implementation plan or other documentation clearly setting out steps and timelines required to transfer data (including the form, timeframe and frequency of data provision) to the Bureau to implement the Water Markets Data Standards and other regulatory instruments under Part 5A and Part 7A of the Restoring Our Rivers Act 2023 (Cth) Act.	\$ 147,000
		Provide evidence that Victoria has worked with the Bureau of Meteorology (the Bureau) to determine the "fit-for-purpose" Basin state system enhancements and/or modifications that will be required to transfer data to the Bureau of Meteorology.	
		(These requirements contribute to Recommendation 10 of the Water Market Reform: Final Roadmap Report)	
e.		14.c During development of the Bureau of Meteorology's (the Bureau) new water markets website, and/or the Murray–Darling Basin Water Information Portal: • provide written input and advice as requested by the Bureau on Victoria's definitions, business rules and methodology that underpin the	\$ 93,000
i.	ž.	calculation and reporting of trade approval times. (Note: These requirements contribute to	ž
		Recommendation 12 of the Water Reform: Final Roadmap Report).	
		 14.d Victoria to work with NSW to: Investigate options and prepare a joint preliminary report on ways to improve 	\$ 147,000

		equity of access to trade opportunities in Murrumbidgee and Goulburn intervalley trade, and to Barmah Choke trade opening policy and processes. This will include, but not be limited to assessing the timing, cost, transparency and administration of trade openings. • Finalise this preliminary report by 30 April 2025 and share it with relevant Basin states and the MDBA. (Note: These requirements contribute to Recommendation 14 of the Water Market Reform: Final Roadmap Report.)	
Water Market Improvement (cont'd)		14.e Subject to the Basin Officials Committee (BOC) nominating a committee to progress outcomes under recommendation 18 of the Water Market Reform: Final Roadmap Report, Basin states must: • Provide relevant jurisdictional information to contribute to the preparation of a public report which will be coordinated by the relevant BOC committee in consultation with the Trade Working Group. The report will detail how to increase transparency around how environmental water trade, transfer and delivery is managed (to help with public perceptions and confidence in the water management system). • Assist and provide input into the preparation of a paper which details next steps to improve environmental water data transparency and timeliness, including environmental water trade, transfer and delivery, as well as other water flows in the system (data improvements) for BOC agreement. (These requirements contribute to Recommendation 18 of the Water Market Reform: Final Roadmap Report.)	\$ 93,000
Improved compliance and reporting	15. Implement revised Metrological Assurance Framework (MAF2)	15.a Victoria is to develop and maintain its non- urban water metering policy to conform with the relevant MAF2 rules and guidelines. Note: Where a jurisdiction's non-urban metering policy does not conform to MAF 2 (or subsequent agreed Framework), then the jurisdiction will develop an implementation plan, and implement that plan.	\$ 93,000
	16. Work with the Inspector General of Water	16.a The submission of compliance performance data in accordance with requests made by the	\$ 147,000

	Compliance (IGWC) in an effective and efficient manner to provide compliance and performance data and reports to support improved monitoring in the Murray–Darling Basin.	IGWC under Compliance Reporting Framework that the IGWC will develop in collaboration with the Basin States and in accordance with applicable reports, frameworks and guidance documents.	
		16.b The submission of measurement data and narrative in accordance with requests made by the IGWC, including metering data and data relating to floodplain harvesting / overland flows, in accordance with applicable reports, frameworks and guidance documents.	\$ 147,000
Improved compliance and		16.c Report to the IGWC against MAF2 Chapter 15 at least annually or in accordance with IGWC guidelines.	\$ 147,000
reporting (cont'd)		16.d Provide input to the IGWC on the development of new IGWC-issued guidelines and standards.	\$ 147,000
	17. Water Resource Plan (WRP) Compliance	17.a Active participation in the development of fit- for-purpose annual WRP compliance reporting requirements and associated reporting guidelines, specifications and reporting framework in accordance with requests made by the IGWC (either directly or via the MDBA).	\$ 147,000
Enhanced and coordinated consultation and engagement with all Basin communities	18. States to undertake consultation and strategic engagement in collaboration with the Commonwealth and other Basin governments.	18.a Develop an overarching communications and engagement plan to support strategic consultation, coordination and engagement with Basin communities.	\$ 93,000
First Nations	19. Improve outcomes for First Nations Australians in relation to holding water	19.a At the request of the Traditional Owners of the Murray—Darling Basin in Victoria, contribute to Commonwealth First Nations programs, including the Aboriginal Water Entitlements Program, Cultural Flows for Cultural Economies, and Enduring Water Holding Arrangements. All costs associated with these Commonwealth programs will be fully funded by the Commonwealth	\$ 93,000
,		19.b Building on Victoria's achievements to date, provide further support to the Basin Traditional Owners in Victoria, including those without Native Title. This support should encompass, but not be limited to:	\$ 238,000
		 Assisting in the realisation of outcomes identified in their Cultural Flows Planning for Cultural Economies grant applications. 	
		 Facilitating connections between First Nations communities and water planners, managers, and river operators to enable the development of effective water delivery plans. 	

First Nations (cont'd)		 Offering technical support and advisory services to assist First Nations in navigating water ownership frameworks in Victoria. 	
	20. Undertake engagement, consultation, and partnerships with First Nations Australians within the Basin.	20.a Building on Victoria's achievements to date, implement actions and reform activities towards achieving the CtG inland waters target/s as per the relevant engagement/partnership plan. Implementation of the actions and enabling activities are evaluated and measured through both qualitative and quantitative reporting which supports delivery of the inland waters target/s.	\$ 93,000
*		Total payment for Victoria for Year 1 if all KPIs are met	\$ 5,737,000

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

Year 2: 2025-2026

Milestones report due: 28 February 2026

Reporting period: 01 March 2025 to 28 February 2026

Output	Performance milestones	Key Performance Indicators	Payment
Water recovery	1. Work with the Commonwealth to deliver the 450 GL/year target for enhanced environmental outcomes via the Restoring our Rivers framework.	1.a Provide advice when requested to the Commonwealth on approaches* to deliver water recovery programs towards reaching the 450 GL/year target of additional environmental water under the Restoring our Rivers Framework.	\$ 228,000
		*This includes advice on establishing the Resilient Rivers Water Infrastructure Program with the Commonwealth, and delivering on infrastructure projects, rules changes, or other mechanisms to recover water for enhanced environmental outcomes (particularly those associated with Schedule 5 of the Basin Plan).	
		1.b Provide advice when requested to the Commonwealth on the best approaches* to deliver water recovery programs towards reaching the 450 GL/year target of additional environmental water via the Restoring our Rivers Framework.	\$ 228,000
		*This includes providing advice during the design and establishment phases of any Voluntary Water Purchase Program towards recovery of 450 GL target on specific matters requested by the Commonwealth.	
Coordinated environmental water use	2. Deliver an agreed Basin- wide Environmental Water Protection Strategy and Implementation Plan.	2.a Work with the Commonwealth and other Basin states via the Environmental Water Committee to develop and deliver an agreed annual forward work plan of priority collaborative activities in addition to those specific to individual jurisdictions to deliver the Environmental Water Protection Strategy and Implementation Plan, where relevant to Victoria.	\$ 139,000
		Basin States are also to actively engage in EWC processes to agree and deliver annual collaborative activities to further improve protection of environmental water and contribute to connectivity.	,

	3. Deliver against pre-requisite policy measures for protected environmental flows.	3.a Basin States are to deliver against pre- requisite policy measures (PPMs) and other protection environmental mechanisms to ensure that new methods are implemented as soon as practicable (i.e. methods should be implemented in less than three months from the date upon which the method is agreed upon by the relevant Working Group or Committee.)	\$ 139,000
Coordinated environmental water use (cont'd)	4. Deliver environmental water accounting data and information	4.a Environmental water accounting data and information (i.e. water use and return flows) at monthly time period is provided to the Commonwealth Environmental Water Holder (and other environmental water holders) for adaptive management purposes.	\$ 90,000
	5. Improve environmental watering plans and strategies, including by updating Long-Term Watering Plans (LTWPs) within agreed timeframes.	5.a Engage with all stakeholders (including First Nations), in the development of environmental water plans or priorities when required; and in the implementation, review and update of LTWPs	\$ 139,000
*		5.b Provide input to the next edition of the Basin-wide Environmental Watering Strategy.	\$ 139,000
		5.c Update and operationalise LTWPs (or alternatively agreed tool) in line with the next editions of the Basin-wide environmental water strategy within agreed timeframes.	\$ 139,000
Water quality	6. Support the review of Basin Plan water quality targets and objectives	6.a Basin States are to contribute to* the review of Basin Plan water quality and salinity targets and objectives as led by the Water Quality Advisory Panel (WQAP). This contribution will be via attendance at WQAP meetings and/or written reports or equivalent written correspondence as required by WQAP	\$ 139,000
	7 Improve river management functions' consideration of water quality	7.a Environmental Water Committee (EWC) and River Murray Operations Committee (RMOC) to identify options and deliver actions to improve how river management functions consider water quality.	\$ 139,000
	8. Deliver a new or updated Cold Water Pollution Strategy	8.a Basin States are to develop a new or renewed Cold Water Pollution Strategy, based on the review completed in the previous year.	\$ 90,000
Implementation of the Basin Plan	g. Implement the SDLAM program, where not funded under other agreements.	9.a Basin states are to actively work with the Commonwealth and each other to inform the Murray-Darling Basin Authority's Constraints Relaxation Roadmap and to agree flow rates.	\$ 228,000
		9b. Basin states are to actively work with the Commonwealth and each other to:	\$ 139,000

Implementation of the Basin Plan (cont'd)		 review existing SDLAM projects to determine project deliverability by 31 December 2026 propose and assess any new or amended SDLAM projects via the Basin Officials Committee agreed process develop and submit funding proposals (including feasibility proposals) where relevant to the Commonwealth for the Commonwealth Minister's consideration. follow approved process for completion of NSW supply projects. 	
		 g.c Basin states are to actively work with the Commonwealth and each other to identify and address issues, challenges and impediments to SDLAM program outcomes, including: cooperating with any reviews conducted by the Commonwealth in relation to SDLAM Program, including providing additional information as requested. 	\$ 139,000
		 g.d Basin states are to actively work with the Commonwealth and each other to identify and address issues, challenges and impediments to SDLAM program outcomes, including: Commit to updating register of measures as per agreed processes upon project completion or as soon as practicable. 	\$ 139,000
		g.e Basin states are to actively work with the Commonwealth and each other to identify and address issues, challenges and impediments to SDLAM program outcomes, including: • Provide members for the SDLAM technical working group and contribute towards assessing technical elements of notification amendments, and other technical matters relating to SDLAM reconciliation.	\$ 139,000
		g.f Southern connected Basin States are to identify, develop and progress any required changes to the River Murray Operations Framework and Murray-Darling Basin Agreement. Any changes to the framework are to be agreed by all jurisdictions.	\$ 228,000
	10. Contribute to delivery of the MDBA-led SDL Accounting Framework Improvement	10.a Contribute to developing a work plan to implement current and future iterations of the SDL Accounting Framework Improvement	\$ 139,000

	Strategy work plan or any future work plan	Strategy led by the MDBA and agreed by BOC Alternates.	
		10.b Implement the SDL Accounting Framework Improvement Strategy work plan led by the MDBA, as relevant to the jurisdiction.	\$ 139,000
	11. Deliver required Basin Plan monitoring, evaluation,	11.a Deliver Basin Plan reporting under Schedule 12.	\$ 139,000
Implementation of the Basin Plan (cont'd)	science and reporting.	11.b Review the draft Findings and Recommendations of the 2025 Basin Plan Evaluation.	\$ 228,000
		11.c Support the MDBA to deliver on agreed strategic activities under the Basin Monitoring Evaluation and Reporting Working Group annual work plan as endorsed by BOCA and agreed with a particular jurisdiction.	\$ 139,000
,	12. States support the MDBA in delivery of its Sustainable Yields Project up until 31 December 2025 by attending interjurisdictional meetings and undertaking technical review.	Provision of advice and guidance to support project planning and outcomes review. Supporting development of reference and hydroclimate scenarios for the purposes of the Basin Plan Review	\$ 228,000
Statutory Review Processes	13. Contribute to statutory review processes	 attend a minimum of 90% of meetings as organized by the MDBA (as required) on the Basin Plan Review. provide information to the MDBA as requested by the MDBA towards the Basin Plan Review. Information provision to MDBA should be based on all reasonable requests and consistent with data sharing agreements. 	\$ 90,000
A		13.b Basin States to produce the input required for the review of the role Inspector-General of Water Compliance commencing on o1 July 2025 as referenced in \$215Z of the Water Act 2007 (Cth).	\$ 89,000
Water market improvement	14. Contribute to the implementation of the water market reform recommendations specified in the Water Market Reform: Final Roadmap Report (2022)	Ensure that up-to-date information on all relevant Commonwealth statutory instruments give effect to water market reforms is posted on the appropriate Basin state website and/or communicated to stakeholders within each jurisdiction. Engage with the Commonwealth,	\$ 139,000

		throughout the development of statutory instruments prescribed under the <i>Restoring Our Rivers Act</i> 2023 (Cth) (the Act) including:	
		 the Water Markets Intermediaries Code and associated regulations under Part 5 of the Act 	
		 water markets decisions under Part 5A of the Act 	
-		 water market information under Part 7A of the Act. 	
		 Review and provide comment, into policy papers and Exposure Drafts for Commonwealth consideration including, but not limited to: 	
Water Market Improvement (cont'd)		 Exposure Drafts: Water Markets Decisions and Water Markets Information 	
9	* * * * * * * * * * * * * * * * * * *	 Educational materials: Water Markets Intermediaries Code, Water Markets Decisions, Water Markets Information insider trading and market manipulation prohibitions. 	
		(These requirements contribute to Recommendations 1-5 and 9 of the <i>Water</i> <i>Market Reform: Final Roadmap Report</i>).	
		14.b Basin states to work with the Bureau of Meteorology by:	\$ 139,000
		 providing input and advice as requested and required for the development of the Bureau of Meteorology's new water markets website and the Murray—Darling Basin Water Information Portal (the portal). 	
		 Basin states will undertake required user testing of the Bureau of Meteorology's new website and/or materials published through the portal. 	
	2	(These requirements contribute to Recommendation 6 of the Water Market Reform: Final Roadmap Report.)	,
		14.c During development of the Bureau of Meteorology's (the Bureau) new water markets website, and/or the Murray—Darling Basin Water Information Portal, Basin States to: Review the consolidated materials	\$ 139,000
		prepared by the Bureau and provide	

		timely written feedback prior to publication to ensure information is accurately reported. (The requirements contribute to Recommendation 12 of the Water Market Reform: Final Roadmap Report)	
Water Market Improvement (cont'd)		• undertake further investigations and prepare a joint final report on ways to improve equity of access to trade opportunities in the Murrumbidgee and Goulburn intervalley trade, and to Barmah Choke trade opening policy and processes. This will include, but not be limited to assessing the timing, cost, transparency and administration of trade openings. • Finalise the report by 30 April 2026	\$ 90,000
		and share it with the relevant Basin states and the Murray-Darling Basin Authority. (These requirements contribute to Recommendation 14 of the Water Markets Reform: Final Roadmap Report.) 14.d Subject to Basin Official Committee's	\$ 139,000
		(BOC) agreement to the paper, Basin states, through the relevant nominated committee/s to: • Implement the measures outlines in the paper to improve environmental water data transparency and timeliness, including environmental trade, transfer and delivery, as agreed by BOC.	
		(These requirements contribute to Recommendation 18 of the Water Markets Reform: Final Roadmap Report.)	
Improved compliance and reporting	15. Implement revised Metrological Assurance Framework (MAF2)	15.a Victoria is to develop and maintain its non- urban water metering policy to conform with the relevant MAF2 rules and guidelines. Note: Where a jurisdiction's non-urban metering policy does not conform to MAF 2 (or subsequent agreed Framework), then the jurisdiction will develop an implementation plan, and implement that plan.	\$ 89,000
	16. Work with the Inspector General of Water Compliance (IGWC) in an effective and	16.a The submission of compliance performance data in accordance with requests made by the IGWC under Compliance	\$ 139,000

	efficient manner to provide compliance and performance data and reports to support	Reporting Framework that the IGWC will develop in collaboration with the Basin States and in accordance with applicable reports,	
Improved compliance and reporting (cont'd)	improved monitoring in the Murray–Darling Basin.	frameworks and guidance documents. 16.b The submission of measurement data and narrative in accordance with requests made by the IGWC, including metering data and data relating to floodplain harvesting / overland flows, in accordance with applicable reports, frameworks and guidance documents.	\$ 139,000
		16.c Report to the IGWC against MAF2 Chapter 15 at least annually or in accordance with IGWC guidelines.	\$ 139,000
		16.d Provide input to the IGWC on the development of new IGWC-issued guidelines and standards.	\$ 139,000
	17. Water Resource Plan (WRP) Compliance	17.a Active participation in the development of fit-for-purpose annual WRP compliance reporting requirements and associated reporting guidelines, specifications and reporting framework in accordance with requests made by the IGWC (either directly or via the MDBA).	\$ 139,000
Enhanced and coordinated consultation and engagement with all Basin communities	18.States to undertake consultation and strategic engagement in collaboration with the Commonwealth and other Basin governments.	18.a Evaluate all project and policy engagement plans in a consolidated report, identify areas for improvement, and develop action plans to ensure continuous improvement.	\$ 89,000
		Note: For multijurisdictional engagement, approaches should be shared and, where possible, aligned to ensure a consistent approach for stakeholders across the Basin.	
First Nations	19. Improve outcomes for First Nations Australians in relation to holding water.	19.a At the request of the Traditional Owners of the Murray—Darling Basin in Victoria, contribute to Commonwealth First Nations programs, including the Aboriginal Water Entitlements Program, Cultural Flows for Cultural Economies, and Enduring Water Holding Arrangements.	\$ 89,000
, :		All costs associated with these Commonwealth programs will be fully funded by the Commonwealth.	
		19.b Building on Victoria's achievements to date, provide further support to the Basin Traditional Owners in Victoria, including those without Native Title. This support should encompass, but not be limited to:	\$ 228,000
		 Assisting in the realisation of outcomes identified in their Cultural 	

First Nations (cont'd)		Flows Planning for Cultural Economies grant applications. Facilitating connections between First Nations communities and water planners, managers, and river operators to enable the development of effective water delivery plans. Offering technical support and advisory services to assist First Nations in navigating water ownership frameworks in Victoria.	
	20.Undertake engagement, consultation, and partnerships with First Nations Australians within the Basin.	20.a Building on Victoria's achievements to date, implement actions and reform activities towards achieving the CtG inland waters target/s as per the relevant engagement/partnership plan. Implementation of the actions and enabling activities are evaluated and measured through both qualitative and quantitative reporting which supports delivery of the inland waters target/s.	\$ 89,000
	Tota	al payment for Victoria for Year 2 if all KPIs are met	\$ 5,737,000

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

Year 3: 2026-2027

Milestones report due: 28 February 2027

Reporting period: 01 March 2026 to 28 February 2027

Output	Performance milestones	Key Performance Indicators	Payment
Water recovery	Work with the Commonwealth to deliver the 450 GL/year target for enhanced environmental outcomes via the Restoring our	1.a Provide advice when requested to the Commonwealth on approaches* to deliver water recovery programs towards reaching the 450 GL/year of additional environmental water under the Restoring our Rivers Framework.	\$ 306,000
	Rivers framework.	*This includes advice on establishing the Resilient Rivers Water Infrastructure Program with the Commonwealth, and delivering on infrastructure projects, rules changes, or other mechanisms to recover water for enhanced environmental outcomes (particularly those associated with Schedule 5 of the Basin Plan).	
		1.b Provide advice when requested to the Commonwealth on the best approaches* to deliver water recovery programs towards reaching the 450 GL/year target of additional environmental water via the Restoring our Rivers Framework.	\$ 306,000
		*This includes providing advice during the design and establishment phases of any Voluntary Water Purchase Program towards recovery of 450 GL target on specific matters requested by the Commonwealth.	
Coordinated environmental	2. Deliver an agreed Basin- wide Environmental Water	2.a All Basin States and the Commonwealth via the Environmental Water Committee are to:	\$ 144,000
water use	Protection Strategy and Implementation Plan.	 demonstrate evidence of work completed under the 2025-26 forward work plan (or similar plan). 	
	u ur	 agree upon an annual forward work plan of priority collaborative activities to finalise delivery of the Environmental Water Protection Strategy (where relevant to the jurisdiction). 	v
		Basin States are also to actively engage in EWC processes to agree and deliver annual collaborative activities, in addition to those specific to individual jurisdictions, to further improve protection of environmental water and contribute to connectivity.	

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Coordinated environmental water use (cont'd)	3. Deliver against pre-requisite policy measures for protected environmental flows.	 3.a Victoria are to deliver an internal independent assessment report of delivery against pre-requisite policy measures (PPMs), including the following: Victoria can internally assess its performance. This will be an independent internal assessment of performance with specific and detailed recommendations for improvement. The internal independent assessment report will examine whether Basin States are meeting targets to implement PPMs and the effectiveness of PPMs. States will also provide environmental water accounting data towards the internal independent assessment report.	\$ 144,000
	4. Deliver environmental water accounting data and information.	4.a Environmental water accounting data and information (i.e. water use and return flows) at monthly time period is provided to the Commonwealth Environmental Water Holder (and other environmental water holders) for adaptive management purposes.	\$ 113,000
	5. Improve environmental watering plans and strategies, including by updating Long-Term Watering Plans (LTWPs)	5.a Engage with all stakeholders (including First Nations), in the development of environmental water plans or priorities when required; and in the implementation, review and update of LTWPs	\$ 144,000
	within agreed timeframes.	5.b Provide input to the next edition of the Basin- wide Environmental Watering Strategy.	\$ 144,000
		5.c Update and operationalise LTWPs (or alternatively agreed tool) in line with the next editions of the Basin-wide environmental water strategy within agreed timeframes.	\$ 144,000
Water Quality	6. Support the review of Basin Plan water quality targets and objectives	6.a Basin States are to contribute to the implementation of Basin Plan water quality and salinity targets and objectives via the Water Quality Advisory Panel.	\$ 144,000
	*	This contribution will be via attendance at WQAP meetings and/or written reports or equivalent written correspondence as required by WQAP	
	7 Improve river management functions' consideration of water quality	7.a The Environmental Water Committee (EWC) and River Murray Operations Committee (RMOC) to identify options and deliver actions to improve how river management functions consider water quality.	\$ 144,000

Implementation of the Basin Plan	8. Implement the SDLAM program, where not funded under other agreements.	8.a Southern connected Basin States are to identify, develop and progress any required changes to the River Murray Operations Framework and Murray-Darling Basin Agreement. Any changes to the framework are to be agreed by all jurisdictions.	\$ 306,000
	g. Contribute to delivery of the MDBA-led SDL Accounting Framework Improvement Strategy work plan, including	g.a Contribute to developing a work plan to implement the SDL Accounting Framework Improvement Strategy, led by the MDBA and agreed by BOC Alternates (BOCA).	\$ 144,000
	supplying data and quality assurance documentation.	g.b Implement the SDL Accounting Framework Improvement Strategy work plan led by the MDBA, as relevant to the jurisdiction.	\$ 144,000
	10. Deliver required Basin Plan	10.a Deliver Basin Plan reporting under Schedule 12.	\$ 144,000
	monitoring, evaluation, science and reporting.	10.b Deliver on agreed strategic activities under the Basin Monitoring Evaluation and Reporting Working Group annual work plan as endorsed by BOC-A.	\$ 144,000
Statutory Review Processes	11. Contribute to statutory review processes	 attend a minimum of 90% of meetings on the Basin Plan Review as organized by the MDBA (as required). provide information as requested by the MDBA towards the Basin Plan review. Information provision to MDBA should be based on all reasonable requests and consistent with data sharing agreements. 	\$ 113,000
		 11.b Basin States to: attend a minimum of 90% of meetings with Water Act reviewers (as required). provide information as requested by the reviewers towards the Water Act review. Information provision to MDBA should be based on all reasonable requests and consistent with data sharing agreements. 	\$ 113,000
Water market improvement	12. Implement the water market reform recommendations specified in the Water Market Reform: Final Roadmap Report (2022)	• ensure that up-to-date information on all relevant Commonwealth statutory instruments giving effect to water market reforms is posted on the appropriate Basin state website and/or communicated to stakeholders within each jurisdiction • engage with the Commonwealth, throughout the development of statutory instruments prescribed under the Restoring Our Rivers Act 2023 (Cth) (the Act) including: • water markets decisions under Part 5A of the Act	\$ 144,000

		 water market information under Part 7A of the Act. 	
		 Review and provide comment into policy papers and Exposure Drafts for Commonwealth consideration, including, but not limited to: 	
		 Educational materials: Water Markets Decisions, Water Markets Information, insider trading and market manipulation prohibitions. 	
		(These requirements contribute to recommendations 1-5 and 9 of the Water Market Reform: Final Roadmap Report).	
		12.b Victoria to work with NSW to:	\$ 144,000
Water Market Improvement (cont'd)		 Trial and implement the joint final report to improve equity of access to trade opportunities in Murrumbidgee and Goulburn intervalley trade and to Barmah Choke trade opening policy and processes. 	
		(These requirements contribute to Recommendation 14 of the Water Market Reform: Final Roadmap Report.)	e .
		12.c Southern Basin states to contribute through the Trade Working Group to the development of a preliminary scoping paper to be managed by the MDBA to understand if there are any current issues associated with carryover parking, and provide relevant data and support.	\$ 144,000
		The scoping paper should seek to understand if there are any issues associated with carryover parking trade, including, but not limited to negative impacts on water rights holders, water markets and water management, including accounting for and attribution of evaporative losses, state shares and interstate water trade.	
		(These requirements contribute to Recommendation 15 of the Water Market Reform: Final Roadmap Report.)	
į		12.d Basin states, as agreed by Basin Officials Committee (BOC), to deliver public information on how environmental water is delivered and measured throughout the system.	\$ 144,000
		(These requirements contribute to Recommendation 18 of the Water Market Reform: Final Roadmap Report.)	
Improved compliance and reporting	13. Implement revised Metrological Assurance Framework (MAF2)	13.a Victoria is to develop and maintain its non- urban water metering policy to conform with the relevant MAF2 rules and guidelines.	\$ 144,000

Improved compliance and reporting (cont'd)		Note: Where a jurisdiction's non-urban metering policy does not conform to MAF 2 (or subsequent agreed Framework), then the jurisdiction will develop an implementation plan, and implement that plan.	
	14. Work with the Inspector General of Water Compliance (IGWC) in an effective and efficient manner to provide compliance and performance data and reports to support improved monitoring in the Murray–Darling Basin.	14.a The submission of compliance performance data in accordance with requests made by the IGWC under Compliance Reporting Framework that the IGWC will develop in collaboration with the Basin States and in accordance with applicable reports, frameworks and guidance documents.	\$ 144,000
		14.b The submission of measurement data and narrative in accordance with requests made by the IGWC, including metering data and data relating to floodplain harvesting / overland flows, in accordance with applicable reports, frameworks and guidance documents.	\$ 144,000
		14.c Provide input to the IGWC on the development of new IGWC-issued guidelines and standards.	\$ 144,000
		14.d Report to the IGWC against MAF2 Chapter 15 at least annually or in accordance with IGWC guidelines.	\$ 144,000
Enhanced and coordinated consultation and engagement with all Basin communities	15.States to undertake consultation and strategic engagement in collaboration with the Commonwealth and other Basin governments.	15.a Implement communications and engagement to support strategic consultation, coordination and engagement with Basin communities, as per agreed communications and engagement plan.	\$ 113,000
First Nations	16. Improve outcomes for First Nations Australians in relation to holding water	16.a At the request of the Traditional Owners of the Murray—Darling Basin in Victoria, contribute to Commonwealth First Nations programs, including the Aboriginal Water Entitlements Program, Cultural Flows for Cultural Economies, and Enduring Water Holding Arrangements. All costs associated with these Commonwealth programs will be fully funded by the Commonwealth.	\$ 113,000
		16.b Building on Victoria's achievements to date, provide further support to the Basin Traditional Owners in Victoria, including those without Native Title. This support should encompass, but not be limited to: Assisting in the realisation of outcomes identified in their Cultural Flows Planning for Cultural Economies grant applications.	\$ 306,000
		 Facilitating connections between First Nations communities and water planners, managers, and river operators to enable the development of effective water delivery plans. 	

		 Offering technical support and advisory services to assist First Nations in navigating water ownership frameworks in Victoria. 	
First Nations (cont'd)	17. Undertake engagement, consultation, and partnerships with First Nations Australians within the Basin.	17.a Building on Victoria's achievements to date, implement actions and reform activities towards achieving the CtG inland waters target/s as per the relevant engagement/partnership plan. Implementation of the actions and enabling activities are evaluated and measured through both qualitative and quantitative reporting which supports delivery of the inland waters target/s.	\$ 114,000
		Total payment for Victoria for Year 3 if all KPIs are met	\$ 4,783,000

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

Year 4: 2027-2028

Milestones report due: 29 February 2028

Reporting period: 01 March 2027 to 29 February 2028

Output	Performance milestones	Key Performance Indicators	Payment
Coordinated environmental water use	1. Deliver an agreed Basin-wide Environmental Water Protection Strategy and Implementation Plan.	 1.a All Basin States and the Commonwealth via the Environmental Water Committee are to: demonstrate evidence of work completed under the 2026-27 forward work plan. agree upon an annual forward work plan of priority collaborative activities to finalise delivery of the Environmental Water Protection Strategy (where relevant to the jurisdiction). Basin States are also to actively engage in EWC processes to agree and deliver annual collaborative activities, in addition to those specific to individual jurisdictions, to further improve protection of environmental water and contribute to connectivity. 	\$ 224,000
	2. Deliver environmental water accounting data and information.	2.a Environmental water accounting data and information (i.e. water use and return flows) at monthly time period is provided to the Commonwealth Environmental Water Holder (and other environmental water holders) for adaptive management purposes.	\$ 136,000
	3. Improve environmental watering plans and strategies, including by updating Long- Term Watering Plans (LTWPs) within agreed timeframes	3.a Engage with all stakeholders (including First Nations) in the development of environmental water plans or priorities when required; and in the implementation, review and update of LTWPs.	\$ 136,000
		3.b Provide input to the next edition of the Basin-wide Environmental Watering Strategy.	\$ 87,000
		3.c Update and operationalise LTWPs (or alternatively agreed tool) in line with the next editions of the Basin-wide environmental water strategy within agreed timeframes.	\$ 136,000
Water Quality	4. Support the review of Basin Plan water quality targets and objectives	4.a Basin States are to contribute to the review of Basin Plan water quality and salinity targets and objectives via the Water Quality Advisory Panel. This contribution will be via attendance at WQAP meetings and/or written reports or equivalent written correspondence as required by WQAP	\$ 136,000
	5 Improve river management functions'	5.a The Environmental Water Committee (EWC) and River Murray Operations Committee (RMOC) to identify options and deliver actions to improve how river management functions consider water quality.	\$ 223,000

	consideration of water quality		
Implementation of the Basin Plan	6. Contribute to delivery of the MDBA-led SDL Accounting Framework Improvement Strategy work plan, including supplying data and quality assurance documentation.	6.a Contribute to developing a work plan to implement the SDL Accounting Framework Improvement Strategy, led by the MDBA and agreed by BOC Alternates (BOC-A).	\$ 136,000
		6.b Implement the SDL Accounting Framework Improvement Strategy work plan led by the MDBA, as relevant to the jurisdiction.	\$ 136,000
	7. Deliver required Basin Plan monitoring, evaluation, science and reporting.	7.a Deliver Basin Plan reporting under Schedule 12.	\$ 223,000
		7.b Deliver on agreed strategic activities under the Basin Monitoring Evaluation and Reporting Working Group annual work plan as endorsed by BOCA.	\$ 136,000
Statutory Review	8. Contribute to statutory review processes	8.a Basin States to: • attend a minimum of 90% of meetings with Water Act reviewers	\$ 87,000
Processes		 (as required). provide information as requested by the reviewers towards the Water Act review. Information provision to reviewers should be based on all reasonable requests and consistent with data sharing agreements. 	
Improved compliance and reporting	9. Implement revised Metrological Assurance Framework (MAF2)	g.a Victoria is to develop and maintain its non-urban water metering policy to conform with the relevant MAF2 rules and guidelines. Note: Where a jurisdiction's non-urban metering policy does not conform to MAF 2 (or subsequent agreed Framework), then the jurisdiction will develop an implementation plan, and implement that plan.	\$ 136,000
	10. Work with the Inspector General of Water Compliance (IGWC) in an effective and efficient manner to provide compliance and performance data and reports to support improved monitoring in the Murray—Darling Basin.	10.a The submission of compliance performance data in accordance with requests made by the IGWC under Compliance Reporting Framework that the IGWC will develop in collaboration with the Basin States and in accordance with applicable reports, frameworks and guidance documents.	\$ 136,000
		10.b The submission of measurement data and narrative in accordance with requests made by the IGWC, including metering data and data relating to floodplain harvesting / overland flows, in accordance with applicable reports, frameworks and guidance documents.	\$ 136,000
		10.c Provide input to the IGWC on the development of new IGWC-issued guidelines and standards.	\$ 136,000
		10.d Report to the IGWC against MAF2 Chapter 15 at least annually or in accordance with IGWC guidelines.	\$ 136,000
First Nations	11. Improve outcomes for First	11.a At the request of the Traditional Owners of the Murray—Darling Basin in Victoria, contribute to Commonwealth First Nations	\$ 87,000

Nations Australians in relation to holding water	programs, including the Aboriginal Water Entitlements Program, Cultural Flows for Cultural Economies, and Enduring Water Holding Arrangements. All costs associated with these Commonwealth programs will be fully funded by the Commonwealth.		
	11.b Building on Victoria's achievements to date, provide further support to the Basin Traditional Owners in Victoria, including those without Native Title. This support should encompass, but not be limited to:	\$ 223,000	
	 Assisting in the realisation of outcomes identified in their Cultural Flows Planning for Cultural Economies grant applications. 		
	 Facilitating connections between First Nations communities and water planners, managers, and river operators to enable the development of effective water delivery plans. 		
	 Offering technical support and advisory services to assist First Nations in navigating water ownership frameworks in Victoria. 	×	
12. Undertake engagement, consultation, and partnerships with First Nations Australians within the Basin.	12.a Building on Victoria's achievements to date, implement actions and reform activities towards achieving the CtG inland waters target/s as per the relevant engagement/partnership plan. Implementation of the actions and enabling activities are evaluated and measured through both qualitative and quantitative reporting which supports delivery of the inland waters target/s.	\$ 87,000	
Total payment for Victoria for Year 4 if all KPIs are met			

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

Signed for and on behalf of the Commonwealth of Australia by

The Honourable Tanya Plibersek MP Minister for the Environment and Water

[Day] [Month] [Year]

20 2 25

Signed for and on behalf of the State of Victoria by

The Honourable Gayle Tierney MP

Minister for Water
[Day] [Month] [Year]

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