

Variation to the National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin

INTERGOVERNMENTAL AGREEMENT ON
FEDERAL FINANCIAL RELATIONS

Preliminaries

- A1. Schedule B (this Schedule) varies the *National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin* (the Agreement). Variations are specified in this Schedule. In all other respects, the National Partnership Agreement remains unchanged.

Description

- A2. This schedule:

	Former clause	Varied clause
(a)	<p>Clause 7</p> <p>This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 30 June 2020, or on the acceptance of final performance reporting and processing of final payments against performance benchmarks or project milestones. The Agreement may be terminated earlier or extended as agreed in writing by the Parties. This Agreement supersedes the National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin signed by Victoria, South Australia and the Australian Capital Territory in June 2013.</p>	<p>Clause 7</p> <p>This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 30 June 2020, or on the acceptance of final performance reporting and processing of final payments against performance benchmarks or project milestones. The Agreement may be terminated earlier or extended as agreed in writing by the Parties. This Agreement supersedes the <i>National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin</i> signed by Victoria, South Australia and the Australian Capital Territory in June 2013. Variations to this Agreement are set out at Schedule B.</p>
(b)	<p>Clause 12</p> <p>(c) monitoring and assessing the performance in the delivery of milestones under this Agreement, having regard to the National Water Commission's (NWC) assessment of Basin State against milestones, to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe; and</p>	<p>Clause 12</p> <p>(c) monitoring and assessing the performance in the delivery of milestones under this Agreement in accordance with Part 4 – Performance Monitoring and Reporting, to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe; and</p>

(c)	<p>Clause 14</p> <p>The Parties agree that the NWC will assess the Basin States' annual progress reports in accordance with Part 4 – Performance Monitoring and Reporting.</p>	Deleted.
(d)	<p>Clause 18</p> <p>Other than as specified in clauses 21 and 28, payments to be made to Basin States under this Agreement are in recognition that Basin States agree to replace the 'no additional net costs' provision under the <i>Agreement on Murray-Darling Basin Reform (2008)</i> and void any existing claims under that provision.</p>	<p>Clause 17</p> <p>Other than as specified in clauses 20 and 27, payments to be made to Basin States under this Agreement are in recognition that Basin States agree to replace the 'no additional net costs' provision under the <i>Agreement on Murray-Darling Basin Reform (2008)</i> and void any existing claims under that provision.</p>
(e)	<p>Clause 19</p> <p>The Head of the Basin State water agency will submit the first annual Statement of Assurance to the NWC (the Assessor) by 28 February 2014, covering the period of the 2012-13 financial year. For every assessment period thereafter, the Head of the Basin State water agency will submit an annual Statement of Assurance to the NWC by 31 August (or the first working day thereafter).</p>	<p>Clause 18</p> <p>18. The Head of the Basin State water agency will submit:</p> <p>(a) the first annual Statement of Assurance to the National Water Commission (NWC) by 28 February 2014, covering the period of the 2012-13 financial year;</p> <p>(b) the second annual Statement of Assurance to the NWC by 31 August 2014 (or the first working day thereafter), covering the period of the 2013-14 financial year; and</p> <p>(c) all subsequent annual Statements of Assurance to the Commonwealth Department with policy responsibility for water (the Department) by 31 August (or the first working day thereafter), covering all subsequent assessment periods.</p>
(f)	<p>Clause 21</p> <p>In relation to the initial (2013-14) contribution for supply measures, by 28 February 2014, New South Wales, Victoria and South Australia will provide to the Commonwealth Department with responsibility for water a brief description of supply measure projects in that State for which feasibility and business cases are being developed for consideration under the SDL adjustment mechanism (the report), consistent with Milestone 1 in Schedule A. Payment will only be made on the acceptance by the Commonwealth Minister with portfolio responsibility for water</p>	<p>Clause 20</p> <p>In relation to the initial (2013-14) contribution for supply measures, by 28 February 2014, New South Wales, Victoria and South Australia will provide to the Department a brief description of supply measure projects in that State for which feasibility and business cases are being developed for consideration under the SDL adjustment mechanism (the report), consistent with Milestone 1 in Schedule A. Payment will only be made on the acceptance by the Commonwealth Minister with portfolio responsibility for water (the Commonwealth Minister) of a report the Minister considers to be satisfactory.</p>

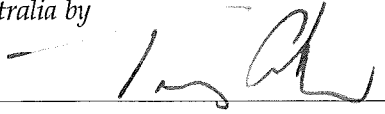
	of a report the Minister considers to be satisfactory.	
(g)	<p>Clause 22</p> <p>Using the Statement of Assurance and any supporting documentation, the Assessor will conduct an assessment of each Basin State's performance against the milestones set out in Schedule A. The Assessor's performance assessment reports will indicate:</p> <p>(a) whether the Basin State has met the performance milestones outlined in Schedule A for the applicable reporting year, and the extent to which they have been met; and</p> <p>(b) where a Basin State has not met a performance milestone, any steps and activities that were undertaken by the Basin State to meet the milestone.</p>	<p>Clause 21</p> <p>Using the Statement of Assurance and any supporting documentation, the Department will conduct an assessment of each Basin State's performance against the milestones set out in Schedule A. The Department's performance assessment reports will indicate:</p> <p>(a) whether the Basin State has met the performance milestones outlined in Schedule A for the applicable reporting year, and the extent to which they have been met; and</p> <p>(b) where a Basin State has not met a performance milestone, any steps and activities that were undertaken by the Basin State to meet the milestone.</p>
(h)	<p>Clause 23</p> <p>In consultation with the Commonwealth Department with portfolio responsibility for water, the Assessor may make one formal request for a Basin State to provide additional information to help inform their annual assessment report.</p>	<p>Clause 22</p> <p>22. The Department may make one formal request for a Basin State to provide additional information to help inform their annual assessment report.</p>
(i)	<p>Clause 24</p> <p>The Assessor will provide its annual assessment report on each Basin State's performance against milestones to the Commonwealth Minister with portfolio responsibility for water, by 31 October, or the first working day thereafter. The Assessor will then provide a copy to the relevant Basin State.</p>	<p>Clause 23</p> <p>The Department will provide its annual assessment report on each Basin State's performance against milestones to the Commonwealth Minister, by 31 October, or the first working day thereafter. The Department will then provide a copy to the relevant Basin State.</p>
(j)	<p>Clause 25</p> <p>The Commonwealth Minister with portfolio responsibility for water will authorise, based upon the funding and performance reporting arrangements set out in this Agreement, whether payment should be made to a Basin State having regard to that Basin State's assessment report and completion of its</p>	<p>Clause 24</p> <p>The Commonwealth Minister will authorise, based upon the funding and performance reporting arrangements set out in this Agreement, whether payment should be made to a Basin State having regard to that Basin State's assessment report and completion of its milestones and, in the circumstance of any adverse finding assessed by</p>

	milestones and, in the circumstance of any adverse finding assessed by the Commonwealth as being not material to that state's cooperation with the reforms.	the Commonwealth as being not material to that state's cooperation with the reforms.
(k)	<p>Clause 26</p> <p>In consultation with the Commonwealth Department with portfolio responsibility for water, following a decision by the Commonwealth Minister with portfolio responsibility for water and release of the report to the Basin State, the Assessor will publish a copy of each Basin State's annual assessment report on its website.</p>	<p>Clause 25</p> <p>Following a decision by the Commonwealth Minister and release of the report to the Basin State, the Department will publish a copy of each Basin State's annual assessment report on its website.</p>
(l)	<p>Footnote 2</p> <p>In the case of 2012-13 Assessment Reports for New South Wales and Queensland, these will be provided by the Assessor by 30 April 2014.</p>	<p>Footnote 2</p> <p>In the case of 2012-13 Assessment Reports for New South Wales and Queensland, these will be provided by the National Water Commission by 30 April 2014.</p>
(m)	<p>Clause 28</p> <p>The Commonwealth will also provide a total financial contribution of up to \$34.5 million from 2013-14 to 2015-16 for the purposes of the preparing supply measure business case development through project payments to New South Wales, Victoria and South Australia to support the reforms covered by this Agreement. All payments are GST exclusive.</p>	<p>Clause 27</p> <p>The Commonwealth will also provide a total financial contribution of up to \$34.5 million from 2013-14 to 2015-16 for the purposes of preparing supply measure business case development through project payments to New South Wales, Victoria and South Australia to support the reforms covered by this Agreement. All payments are GST exclusive.</p>
(n)	<p>Clause 38</p> <p>The Commonwealth Minister with portfolio responsibility for water is authorised to agree and amend Schedules to this Agreement and to certify that performance benchmarks specified under this Agreement have been achieved, so that payments may be made.</p>	<p>Clause 37</p> <p>The Commonwealth Minister is authorised to agree and amend Schedules to this Agreement and to certify that performance benchmarks specified under this Agreement have been achieved, so that payments may be made.</p>

Term of the Schedule

- A3. This Schedule will take effect as soon as the Australian Government and New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory sign the Schedule.

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Tony Abbott MP
Prime Minister of the Commonwealth of Australia

[Day] [Month] [Year]

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

The Honourable Mike Baird MP
Premier of the State of New South Wales

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The Honourable Daniel Andrews MP
Premier of the State of Victoria

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The Honourable Anastacia Palaszczuk MP
Premier of the State of Queensland

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The Honourable Jay Weatherill MP
Premier of the State of South Australia

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Andrew Barr MLA
Chief Minister of the Australian Capital Territory

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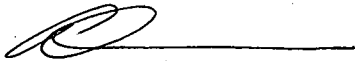
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