

Murray-Darling Basin Act 1992

As at 15 December 2008

Does not include amendments by:

Miscellaneous Acts (Local Court) Amendment Act 2007 No 94 (not commenced)

Note:

The Act was repealed by sec 10 of the *Water (Commonwealth Powers) Act 2008 No 69* with effect from 15.12.2008.

Reprint history:

Reprint No 1

26 May 1998

Long Title

An Act to approve and provide for carrying out an agreement entered into between the Commonwealth, New South Wales, Victoria and South Australia with regard to the water, land and other environmental resources of the Murray-Darling Basin, and for other purposes.

Part 1 – Preliminary

1 Name of Act

This Act may be cited as the *Murray-Darling Basin Act 1992*.

2 Commencement

This Act commences on a day to be appointed by proclamation.

3 Purpose

The purpose of this Act is to approve and provide for carrying out an agreement entered into between the Commonwealth, New South Wales, Victoria and South Australia with regard to the water, land and other environmental resources of the Murray-Darling Basin.

4 Definitions

(1) In this Act: "**Agreement**" means the agreement, a copy of which is set out in Schedule 1, as the agreement is:

- (a) deemed to be amended from time to time under clause 50 or 134 of the agreement, and
- (b) amended by the Amending Agreement, and
- (c) amended by the Amending Agreement 2006.

"**Amending Agreement**" means the agreement a copy of which is set out in Schedule

2. "**Amending Agreement 2006**" means the Murray-Darling Basin Agreement Amending Agreement 2006 that was made on 14 July 2006 (as revised by the Ministerial Council on 29 September 2006), a copy of which is set out in Schedule 3. "**authorised person**"

means a person authorised under section 14. "**Commission**" means the Murray-Darling Basin Commission. "**Commissioner**", except in section 7 (1), means the President or a Commissioner of the Commission or a Deputy Commissioner of the Commission when acting as a Commissioner of the Commission. "**relevant water authority**" means State Water Corporation constituted under the *State Water*

Corporation Act 2004 or such other body declared by the Minister by notice published in the Gazette to be the relevant water authority for the purposes of this Act. "**State member**" means a Commissioner or Deputy Commissioner appointed under section 7. "**works**" means works constructed under a former Agreement or constructed, or to be constructed, under the Agreement.

(2) Words used in this Act have the same respective meanings as in the Agreement.

5 Act to bind Crown

This Act binds the Crown in right of New South Wales and, so far as the legislative power of Parliament permits, the Crown in all its other capacities.

Part 2 – The Agreement and the Commissioners

6 Approval of Agreement

The Agreement is approved.

6A Approval of Amending Agreement

The Amending Agreement is approved.

6B Approval of Amending Agreement 2006

The Amending Agreement 2006 is approved.

The copy of the Murray-Darling Basin Agreement Amending Agreement 2006 set out in Schedule 3 incorporates the revisions that were endorsed by the Ministerial Council on 29 September 2006. Those revisions were:

â€¢ in proposed new clause 75 (3), set out in paragraph 18 (3), "Agreement" to be substituted for "agreement", and

â€¢ paragraph 20 (2) to omit both subclauses (2) and (3) of clause 78 instead of only omitting subclause (2).

7 Appointment of Commissioners and Deputy Commissioners

(1) For the purposes of clause 20 (2) of the Agreement, the Governor may appoint 2 Commissioners and 2 Deputy Commissioners.

(2) A State member is appointed for such period, not exceeding 5 years, as is specified in the instrument appointing the member.

(3) A State member is eligible for re-appointment.

(4) Part 2 of the *Public Sector Management Act 1988* does not apply to the office of a State member.

8 Terms and conditions of appointment

In respect of matters not provided for by this Act or another law of the State or by the Agreement, a State member holds office on such terms and conditions as are determined by the Governor.

9 Defect or irregularity not to invalidate appointment

The appointment of a State member is not invalidated merely because of a defect or irregularity in or in connection with the member's appointment.

10 Remuneration

A State member is entitled to the remuneration and allowances fixed by the Minister.

11 Resignation

A State member may resign from office in accordance with clause 29 of the Agreement.

12 Termination of appointment

The Governor may at any time remove a State member from office.

Part 3 – The Commission and its operations

13 Powers, functions and duties of the Commission

The Commission has the powers, functions and duties expressed to be conferred on it by the Agreement.

14 Authorisation of persons to enter land

- (1) The Commission may authorise a person in writing to enter land for the purposes of this Act and the Agreement.
- (2) The Commission must provide an authorised person with a certificate of authority.
- (3) A certificate must:
 - (a) state that it is issued under the *Murray-Darling Basin Act 1992*, and
 - (b) give the name of the person to whom it is issued, and
 - (c) describe the nature of the powers conferred and their source, and
 - (d) state the date, if any, on which it expires, and
 - (e) bear the seal of the Commission or the signature of a person duly authorised by the Commission to provide the certificate.
- (4) An authorised person, when entering land, must produce the certificate if requested to do so by a person apparently in occupation of the land.

15 Entry on land

- (1) For the purposes of the Agreement, a Commissioner or an authorised person may, after giving 7 days' notice in writing to the owner or occupier, enter any land and is entitled to free access to all works.
- (2) A Commissioner or an authorised person may not enter residential premises except with the consent of the occupier.
- (3) The requirement to give 7 days' notice in writing does not apply in an emergency or if the owner or occupier consents to entry on land within a shorter period.
- (4) In exercising powers under this section, a Commissioner or authorised person:
 - (a) must cause as little harm and inconvenience as possible, and
 - (b) must not stay on the land for any longer than is reasonably necessary, and
 - (c) must remove from the land on completing any works all equipment or structures brought onto the land by the Commissioner or authorised person, other than anything that the owner or occupier of the land agrees may be left there, and
 - (d) must leave the land as nearly as possible in the condition in which the Commissioner or authorised person found it, and
 - (e) must co-operate as much as practicable with the owner and occupier of the land.

16 Offence--obstruction of Commissioner or authorised person

A person must not without reasonable excuse obstruct or hinder a Commissioner or authorised person exercising powers under section 15.

Maximum penalty: 50 penalty units.

17 Construction of works

Subject to this Act and the Agreement:

- (a) the construction, maintenance, operation and control in the State of any works, and
 - (b) the carrying out of any of the operations referred to in the Agreement, and
 - (c) the implementation of any of the measures referred to in the Agreement,
- are authorised.

18 Acquisition of land

(1) The relevant water authority, by or on behalf of the Government of the State, may acquire any land (including an interest in land) necessary for:

- (a) the construction, maintenance, operation and control of any works, or
- (b) the protection of those works, or
- (c) preserving or improving the quality or purity of the water to be supplied from those works,

by agreement or by compulsory process in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*.

(2) For the purposes of the *Public Works Act 1912*, any such acquisition of land is taken to be for an authorised work and the relevant water authority is, in relation to that authorised work, taken to be the Constructing Authority.

(3) Sections 34, 35, 36 and 37 of the *Public Works Act 1912* do not apply in relation to works constructed under this Act.

19 Construction powers of relevant water authority

The relevant water authority may, in accordance with this Act and the Agreement:

- (a) construct, maintain, operate and control any works, and
- (b) carry out operations referred to in the Agreement, and
- (c) implement measures referred to in the Agreement.

20 Powers to dispose of certain lands

The relevant water authority:

- (a) may dispose of any lands acquired under section 18 that are no longer required for the purpose for which they were acquired, or
- (b) grant a lease of any lands acquired under section 18 for purposes, including recreational purposes, consistent with the purpose for which the lands were acquired.

21 Powers, liabilities and immunities under Water Management Act 2000 and other Acts

For the purpose of carrying out its powers under sections 19 and 20, the relevant water authority has and may exercise the powers, authorities and privileges conferred on the Water Administration Ministerial Corporation by or under the *Water Management Act 2000* or any other Act.

22 Tolls on locks

A contracting Government or an authority or person so authorised under the Agreement, who has the control of any lock, may demand and receive in respect of vessels passing through the lock the tolls prescribed under the Agreement by order of the Commission.

Part 4 – Proceedings for compensation

23 Actions against relevant water authority

Section 398 of the *Water Management Act 2000* does not apply to an action against the relevant water authority for compensation for damage caused by:

- (a) the construction, maintenance, operation and control of any works, or
- (b) the carrying out of any of the operations referred to in the Agreement, or
- (c) the implementation of any of the measures referred to in the Agreement.

24 Principles to be applied

(1) This section applies if an action, claim or other proceeding is brought against the relevant water authority for compensation for damage caused by:

- (a) the construction, maintenance, operation or control of works, or
- (b) the carrying out of operations referred to in the Agreement, or

- (c) the implementation of any of the measures referred to in the Agreement.
- (2) The court is to have regard to the following principles in determining whether any, and if so what, compensation for damage is to be made:
- (a) no compensation is to be made for any diminution or deterioration of the supply of water to which any person may be entitled, unless the diminution or deterioration is such as to deprive the claimant of a supply of water previously legally enjoyed by the claimant and unless the diminution or deterioration is the direct, and will be the permanent, result of the completed works,
 - (b) no compensation is to be made for the taking or diverting of any water which the relevant water authority is empowered by or under this Act or the Agreement to take or divert, either permanently or temporarily, from any river, creek, stream, watercourse, lake, lagoon, swamp or marsh,
 - (c) there is to be considered in reduction of all claims for compensation for injury:
 - â€¢ whether, by reason of the execution of any works under this Act, any, and if so what, enhancement in value of any property of the claimant, wherever situated, has been directly or indirectly caused, and
 - â€¢ whether any, and if so what, immediate or proximate benefit has been gained by or become available to the claimant by reason of the construction or use of any such works,and a deduction is to be made accordingly from the amount which, but for this paragraph, would have been paid or payable as compensation,
 - (d) the measure of damages is in all cases to be the direct pecuniary injury to the claimant by the loss of something of substantial benefit accrued or accruing and is not to include remote, indirect or speculative damages,
 - (e) if the injury complained of appears to be of a permanent or continuing character, or likely to be repeated, a sum may be awarded which the court may declare to be a compensation for all injury, loss or damage sustained in respect of the matter complained of to the date of judgment in the proceedings and also for all future injury, loss or damage in respect of the same matter, and thereafter no further compensation may be made in respect of any such future injury, loss or damage.

25 Stay of proceedings until completion of works

- (1) This section applies if compensation is sought to be recovered from the relevant water authority for any injury alleged to be the result of:
- (a) the construction, maintenance, operation or control of works, or
 - (b) the carrying out of any of the operations referred to in the Agreement, or
 - (c) the implementation of any of the measures referred to in the Agreement,
- that are incomplete at the time of the alleged injury and of the claim for compensation in respect of the alleged injury.
- (2) The court may, on an application by the relevant water authority, make an order directing the stay of proceedings on the claim for compensation until the completion of those works or operations or implementations of those measures or for such period, stated in the order, as the court considers sufficient for their completion or implementation. The proceedings to recover compensation are stayed accordingly.
- (3) When the stay of proceedings expires, the claimant may resume the proceedings for the recovery of compensation without commencing any fresh proceedings.

26 Compensation for injury to other interests

- (1) This section applies if compensation is sought to be recovered in respect of any injury to property that may affect interests in reversion as well as in possession in the property and that is alleged to be the result of:
- (a) the construction, maintenance, operation, or control of works, or
 - (b) the carrying out of any of the operations referred to in the Agreement, or

- (c) the implementation of any of the measures referred to in the Agreement.
- (2) The claimant for compensation is required, before any sum is awarded as compensation, to satisfy the court:
 - (a) as to the nature and extent of the respective estates or interests in the property of the claimant and all other persons (if any) whose interests are said to be affected, and
 - (b) that the claimant has given sufficient notice to all such other persons of the proceedings brought by the claimant to obtain compensation under this Act.
- (3) A person, apart from the claimant, having an interest in property as referred to in subsection (1) and who, whether on being notified by the claimant or not, appears before the court is entitled to be heard in respect of the person's interest in the compensation to be awarded.
- (4) In awarding any sum by way of compensation, the court is to award and apportion, as between the claimant and all other persons appearing to have an interest in the property concerned, in such manner as to the court seems fit, the amounts to be received by any or some or all of them respectively out of that sum, as compensation for the injury caused or likely to result to the respective interests of the claimant and those other persons in the property.
- (5) A person, other than the claimant, to whom an amount is awarded or apportioned under subsection (4) has all such remedies and means of recovering that amount from the relevant water authority as though the person had originally been a plaintiff in the action in which the award or apportionment was made.

Part 5 – General

27 Supreme Court

- (1) The Supreme Court may exercise jurisdiction in relation to the Commission and the Commissioners in the same manner and to the same extent as it could if the Commission were a body representing the Crown in right of the State and as if the Commissioners were State officers.
- (2) If a court of the Commonwealth or another State that is a party to the Agreement exercises a power under a law corresponding to subsection (1), the Commission and Commissioners must comply with an order or decision of that court.

28 Appropriation

All money required to be provided by the State under the Agreement is to be provided out of money appropriated by Parliament for the purpose.

29 Exemption from taxes and charges

No rate, tax, charge or fee is payable under an Act or statutory instrument of the State:

- (a) in respect of any act or thing done by or on behalf of the Commission, or
- (b) in respect of any works, or
- (c) in respect of any property used or held by a Contracting Government or a Constructing Authority for the purposes of any works.

30 Evidence

- (1) Every minute or record of the proceedings of the Commission that is signed by the President of the Commission, or a copy of such a minute or record certified as correct under the hand of the President, is presumed to be correct unless the contrary is proved.
- (2) A document signed by, and containing a decision of, an arbitrator appointed under the Agreement is, in any proceeding, evidence of the decision unless the contrary is proved.
- (3) A document purporting to be:
 - (a) a minute or record, or copy, referred to in subsection (1), or
 - (b) a document referred to in subsection (2),

is taken, unless the contrary is proved, to be such a minute or record, copy or document, as the case may be.

31 Certain documents to be laid before Parliament

The Minister must cause a copy of:

- (a) each report and statement submitted by the Commission under clause 84 of the Agreement to the Ministerial Council, and
 - (b) each Schedule approved under clause 50 of the Agreement,
- to be laid before each House of Parliament without delay.

32 Accession by new parties

(1) If the Ministerial Council approves a Schedule prepared under clause 134 of the Agreement for another State to become a party to the Agreement, the Minister must cause a copy of the Schedule to be laid before each House of Parliament within 15 sitting days after the Ministerial Council has approved the Schedule.

(2) A Schedule referred to in subsection (1) has no effect if:

- (a) it is disallowed as mentioned in clause 134 of the Agreement, or
- (b) it is void or has ceased to have effect for any other reason mentioned in that clause.

33 Penalty for injuring works

A person must not unlawfully and maliciously destroy or damage or attempt to destroy or damage any works constructed or operated under this Act or the Agreement.

Maximum penalty: 1,000 penalty units or imprisonment for 10 years.

34 Proceedings for offences

(1) Proceedings for an offence against this Act or the regulations may be dealt with summarily before a Local Court constituted by a Magistrate sitting alone or before the Supreme Court in its summary jurisdiction.

(2) If proceedings are brought in a Local Court, the maximum monetary penalty that the Local Court may impose for the offence is, despite any other provision of this Act, 100 penalty units or the maximum monetary penalty provided for the offence by this Act or the regulations, whichever is the lesser.

35 Regulations

(1) The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) In particular, the regulations may create offences punishable by penalties not exceeding 10 penalty units for a first offence or 20 penalty units for a second or subsequent offence.

36 Repeals and transitional

(1) The following Acts are repealed:

Murray-Darling Basin Act 1983 No 86

River Murray Waters (Amendment) Act 1987 No 232

Murray-Darling Basin (Amendment) Act 1991 No 5.

(2) A person who, immediately before the commencement of this section, held office as a Commissioner or Deputy Commissioner appointed under section 6 of the *Murray-Darling Basin Act 1983* continues to hold office for the remainder of the person's term of office as if the person had been appointed as a Commissioner or Deputy Commissioner, as the case may be, under section 7 of this Act.

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The Murray-Darling Basin Agreement made this twenty-fourth day of June One thousand nine hundred and ninety two between--

THE COMMONWEALTH OF AUSTRALIA (" **the Commonwealth** "),
THE STATE OF NEW SOUTH WALES (" **New South Wales** "),
THE STATE OF VICTORIA (" **Victoria** "), and
THE STATE OF SOUTH AUSTRALIA (" **South Australia** ").

WHEREAS the Commonwealth, New South Wales, Victorian and South Australian Governments wish to promote and co-ordinate effective planning and management for the equitable efficient and sustainable use of the water, land and environmental resources of the

Murray-Darling Basin--

AND WHEREAS those Governments have agreed that this Agreement should be substituted for an Agreement made between the parties on the first day of October 1982 and amended by Agreements of the 30th day of October 1987 and the 4th day of October 1990, each of which was subsequently approved by the Parliament of each party--

NOW IT IS HEREBY AGREED by the parties to this Agreement as follows--

PART I – INTERPRETATION

1. Purpose

The purpose of this Agreement is to promote and co-ordinate effective planning and management for the equitable efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin.

2. Definitions

In this Agreement save where inconsistent with the context--

" **annual estimates** " means estimates prepared under paragraph 68(1)(a).

" **Commission** " means the Murray-Darling Basin Commission.

" **Commissioner for the Commonwealth** " means a Commissioner appointed by the Governor-General pursuant to clause 20.

" **Commissioner for New South Wales** " means a Commissioner appointed by the Governor of New South Wales pursuant to clause 20.

" **Commissioner for South Australia** " means a Commissioner appointed by the Governor of South Australia pursuant to clause 20.

" **Commission's water business** " means those activities of the Commission relating to:

- (a) the construction, operation, maintenance and renewal of works on, adjacent to, or connected to the upper River Murray or the River Murray in South Australia; and
- (b) the execution of the provisions of this Agreement concerning sharing water between State Contracting Governments; and
- (c) the provision of other services relating to water, to State Contracting Governments and other persons.

" **Commissioner for Victoria** " means a Commissioner appointed by the Governor of Victoria pursuant to clause 20.

" **Commonwealth auditor** " means the Auditor-General of the Commonwealth or such other person as may be appointed by the Governor-General for the purpose of carrying out an audit referred to in sub-paragraph 78(1)(a)(i).

" **Contracting Government** " means any of the Governments of the Commonwealth, New South Wales, Victoria, South Australia and of any other State becoming a party pursuant to clause 134.

" **Constructing Authority** " means--

- (a) the Contracting Government by which--
- (i) any works authorised by this Agreement or the former Agreement have been, or are being, or are to be constructed;
 - (ii) any measures authorised by this Agreement or the former Agreement have been, or are being, or are to be executed; or
- (b) any public authority or any Minister constituted or appointed for the purpose of constructing such works or executing such measures.

" **"Deputy Commissioner for the Commonwealth"** " means a Deputy Commissioner appointed by the Governor-General pursuant to clause 20.

" **"Deputy Commissioner for New South Wales"** " means a Deputy Commissioner appointed by the Governor of New South Wales pursuant to clause 20.

" **"Deputy Commissioner for South Australia"** " means a Deputy Commissioner appointed by the Governor of South Australia pursuant to clause 20.

" **"Deputy Commissioner for Victoria"** " means a Deputy Commissioner appointed by the Governor of Victoria pursuant to clause 20.

" **"diversions"** " includes abstractions, impoundings and appropriations of water that reduce the flow of a river.

" **"Doctors Point"** " means the location of the Doctors Point stream gauging station.

" **"E.C."** " means a unit of electro-conductivity of water, measured in micro-siemens per centimetre at 25 degrees celsius.

" **"financial year"** " means the twelve months beginning on 1 July.

" **"former Agreement"** " means the Agreement made on 9 September 1914 between the Prime Minister of the Commonwealth of Australia and the Premiers of the States of New South Wales, Victoria and South Australia as amended by further Agreements dated 10 August 1923, 23 July 1934, 26 November 1940, 2 November 1954, 11 September 1958, 8 October 1963, 26 February 1970, 1 October 1982, 30 October 1987 and 4 October 1990.

" **"Full Supply Level"** " means the full supply water level--

- (a) defined by reference to Australian Height Datum specified by the design drawings for any structure subject to this Agreement; or
- (b) in the case of Menindee Lakes Storage, as defined under clause 130.

" **"Governor-General"** " means Governor-General acting with the advice of the Executive Council.

" **"Governor"** " means Governor acting with the advice of the Executive Council.

" **"land"** " includes--

- (a) Crown lands;
- (b) buildings;
- (c) any interest, right or privilege in, over or affecting any land.

" **"maintenance"** " includes the execution of all work of any description which is necessary to

keep an existing work in the state of utility in which it was upon--

(a) its original completion; or

(b) the completion of any improvement thereto or replacement thereof, but does not include--

(i) the execution of any improvement to the design or function of that work; or

(ii) the replacement of the whole of that work; or

(iii) work to remedy the extraordinary failure of part or all of that work.

" **major storages** " means Lake Victoria, the Menindee Lakes Storage and the storages formed by Dartmouth Dam and Hume Dam.

" **measures** " includes strategies, plans and programs (including any activities for the purpose of conserving or enhancing the environment) but does not include any activities of the Commission's water business.

" **minimum operating level** " means the water level in a storage, as determined from time to time by the Commission, below which water must not be released.

" **Ministerial Council** " means the Ministerial Council established by Part III.

" **Murray-Darling Basin** " means so much of the area within the boundaries of the map shown in Schedule B as forms part of the territory of the Contracting Governments.

" means the quantity of water that would have flowed in a river past a particular point in a particular period but for the effect during that period of diversions to or from, and impoundments on, the river upstream of that point;

" **officer** " means a person employed by the Commission under paragraph 36 (a).

" **period of special accounting** " means a period of special accounting declared under clause 122 (1).

" **prescribed rate** " means either--

(a) a rate of 2% per annum above the maximum overdraft rate fixed by the Reserve Bank of Australia for amounts of \$100,000 or less which is applicable at the time a payment becomes due, or, if no such rate is fixed,

(b) a rate of 4% per annum above the rate payable on Commonwealth securities of the longest term offered for public subscription in Australia for the Commonwealth cash loan opened next before the time a payment becomes due.

" **President** " means the President of the Commission appointed under sub-clause 20 (1).

" **public authority** " means a body, whether incorporated or not, established for a public purpose by or under a law of the Commonwealth or a State and includes any local government body.

" **regulated flow** " is the flow resulting from the release of stored water at the direction of the Commission other than during, or in anticipation of, floods.

" **reserve** " means water available for release from major storages at the direction of the Commission.

" **river** " and " **tributary** " respectively include any affluent, effluent, creek, anabranch or extension of, and any lake or lagoon connected with, the river or tributary.

" **State** " means the State of New South Wales, the State of Victoria, the State of South Australia or any State becoming a party pursuant to clause 134.

" **State auditor** " means a person appointed by the Governor of any of New South Wales, Victoria, South Australia and of any State becoming a party pursuant to clause 134, for the purpose of carrying out an audit referred to in paragraph 78(1)(b).

" **State Contracting Government** " means any of the Governments of New South Wales, Victoria, South Australia, or of any State becoming a party pursuant to clause 134.

" **stored water** " means water stored in or by--

- (a) any of the works described in Schedule A, and
- (b) subject to sub-clause 92 (1), the Menindee Lakes Storage, and
- (c) any of the works for storing water authorised under clause 50.

" **upper River Murray** " means the aggregate of--

- (a) the main course of the River Murray upstream of the eastern boundary of the State of South Australia;
- (b) all tributaries entering that part of the main course upstream of Doctors Point;
- (c) all effluents and anabranches of that part of the main course, other than those excepted by the Commission;
- (d) the watercourses connecting Lake Victoria to that main course;
- (e) the Darling River downstream of the Menindee Lakes Storage; and
- (f) the upper River Murray storages.

" **upper River Murray storages** " means Lake Victoria, the Menindee Lakes Storage, the storages formed by Dartmouth Dam and Hume Dam and by those weirs, and weirs and locks, described in Schedule A which are upstream of the eastern boundary of South Australia.

" **water available for release at the direction of the Commission** " means water which can physically be released from a storage if the Commission so directs, other than water which must not be released because of sub-clause 96 (1).

" **weir** " includes--

- (a) a weir and lock;
- (b) a barrage in any of the channels at or near the mouth of the River Murray.

3. Interpretation

(1) In this Agreement, unless the contrary intention appears--

- (a) a reference to any Act includes any Act amending, or in substitution for, that Act.
- (b) a reference to this Agreement includes a reference to--
 - (i) the Schedules to this Agreement; and
 - (ii) any amendment of or addition to this Agreement or the Schedules hereto.
- (c) words importing the singular include the plural and vice versa.
- (d) words importing any gender include any other gender.
- (e) a reference to a Commissioner includes a Deputy Commissioner who is acting as a Commissioner.

(f) a reference to the President includes the Deputy President when acting as President.

(2) In interpreting a provision of this Agreement, a construction that would promote the purpose or object underlying the Agreement (whether or not that purpose or object is expressly stated in the Agreement) shall be preferred to a construction that would not promote that purpose or object.

PART II – APPROVAL AND ENFORCEMENT

4. Substitution

Except as otherwise provided in this Agreement, this Agreement replaces the former Agreement.

5. Approval

This Agreement, other than clause 6, is subject to approval by the Parliaments of the Commonwealth, New South Wales, Victoria and South Australia and shall come into effect when so approved.

6. Submission to Parliament

The Contracting Governments hereby agree--

(a) to submit for the approval of the respective Parliaments of the Commonwealth of Australia and of the States--

(i) this Agreement;

(ii) any amendment to this Agreement which may be agreed to by the Ministerial Council from time to time (other than an amendment to or addition of a Schedule to this Agreement);

(iii) any legislation necessary to give effect to this Agreement or any Amendment to this Agreement,

as soon as practicable after such agreement is reached; and

(b) to lay before the House or Houses of the respective Parliaments of the Commonwealth and of the States, any Schedule to this Agreement approved by the Ministerial Council from time to time under clause 50 or clause 134.

7. Parties to provide for enforcement of Agreement and Acts

Each of the Contracting Governments so far as its jurisdiction extends and so far as it may be necessary shall provide for or secure the execution and enforcement of the provisions of this Agreement and any Acts approving it.

PART III – THE MINISTERIAL COUNCIL

8. Constitution of Ministerial Council

(1) The Ministerial Council constituted under the former Agreement is continued in existence.

(2) The Ministerial Council shall have such status and such powers and duties and enjoy such privileges and immunities as may be conferred upon it by this Agreement and any Acts approving the same.

(3) The Ministerial Council shall consist of up to three Ministers from each Contracting Government who have prime responsibility for matters relating to water, land and environment.

(4) Whenever a member of the Ministerial Council representing a Contracting Government is--

(a) absent from Australia or from duty,

(b) unable for any reason to attend a meeting of the Ministerial Council, or

(c) otherwise unable to perform the duties of a member of the Ministerial Council, that Contracting Government may appoint another Minister of State to act in the place of that member, and while so acting that other Minister of State shall have all the powers and perform all the duties of that member.

9. Functions of the Ministerial Council

The functions of the Ministerial Council are--

- (a) generally to consider and determine major policy issues of common interest to the Contracting Governments concerning effective planning and management for the equitable efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin;
- (b) to develop, consider and, where appropriate, to authorise measures for the equitable, efficient and sustainable use of such water, land and other environmental resources;
- (c) to authorise works as provided for in Part VI;
- (d) to agree upon amendments to this Agreement including amendments to or addition of Schedules to this Agreement as the Ministerial Council considers desirable from time to time;
- (e) to exercise such other functions as may be conferred on the Council by this Agreement or any amendment or any Act approving the same.

10. Ministerial Council may direct Commission

The Ministerial Council may give directions to the Commission concerning the performance of the functions of the Commission and the exercise of its powers and the Commission shall comply with those directions.

11. Ministerial Council may require Commission to report

The Ministerial Council may require a report from the Commission on any of the Commission's operations.

12. Proceedings of the Ministerial Council

- (1) The Ministerial Council shall meet at least once in each year but otherwise at such times as it sees fit and shall, subject to this Agreement, determine its own procedure.
- (2) The quorum for a meeting of the Ministerial Council shall be each Minister nominated under clause 15 or, in the absence of that Minister, a Minister from the same Contracting Government authorised for this purpose by that Government.
- (3) A resolution before the Ministerial Council will be carried only by a unanimous vote of all Ministers present who constitute a quorum.
- (4) The Chairperson of the Ministerial Council shall be one of the Commonwealth Ministers who is a member of the Council and is at the relevant time the member nominated for this purpose by the Prime Minister.

13. Resolutions other than at meetings

- (1) A decision of the Ministerial Council may be made other than at a meeting of the Ministerial Council if made in accordance with this clause.
- (2) If--
 - (a) the text of a proposed resolution is sent or given in writing by facsimile or other transmission by an officer of the Commission authorised by the Ministerial Council to a Minister nominated under clause 15 or if that Minister is unavailable a Minister for the same Contracting Government authorised for the purpose by that Government; and
 - (b) such Minister approves the proposed resolution and notifies that officer in writing sent or given by facsimile or other transmission,the proposed resolution is approved by the Minister.
- (3) When a Minister from each Contracting Government has approved a resolution in

accordance with sub-clause 13 (2) the resolution shall be deemed to have become a decision of the Ministerial Council at the date and time the last of those Ministers has approved the resolution.

(4) Any decision of the Ministerial Council made in accordance with this clause, must be recorded by an officer of the Commission authorised by the Ministerial Council and a copy of the decision sent to each member of the Ministerial Council within 21 days after the decision is made.

(5) The record made pursuant to sub-clause 13 (4) shall be confirmed at the next meeting of the Ministerial Council.

14. Appointment of Committees

(1) The Ministerial Council--

(a) must appoint a Community Advisory Committee; and

(b) may from time to time appoint such temporary or standing committees as it sees fit.

(2) A committee shall have such members, terms of reference, powers and functions as the Ministerial Council determines.

(3) A member of a committee shall hold office on such terms as the Ministerial Council may determine.

(4) A member of a committee shall receive such allowances and expenses as the Ministerial Council may from time to time determine.

15. Nomination of responsible Minister

The Prime Minister and the Premier of each other Contracting Government shall from time to time each nominate one of the Ministers representing it on the Ministerial Council to be the Minister responsible to the Ministerial Council for the responses of that Minister's government.

PART IV – THE COMMISSION

16. Constitution

(1) The Murray-Darling Basin Commission constituted under the former Agreement is continued in existence.

(2) The Commission shall have such status and such powers and duties and enjoy such privileges and immunities as may be conferred upon it by this Agreement and any Acts approving the same.

17. Functions and Powers of the Commission

(1) The functions of the Commission are--

(a) to advise the Ministerial Council in relation to the planning, development and management of the water, land and other environmental resources of the Murray-Darling Basin;

(b) to assist the Ministerial Council in developing measures for the equitable efficient and sustainable use of water, land and other environmental resources of the Murray-Darling Basin;

(c) to co-ordinate the implementation of or, where the Ministerial Council so requires, to implement any measures authorised by the Ministerial Council under paragraph 9 (b);

(d) to give effect to any policy or decision of the Ministerial Council, which the Ministerial Council requires the Commission to implement;

(e) to exercise the powers and discharge the duties conferred on it by this Agreement, or any Act approving the same.

(2) Paragraph 17 (1) (d) does not operate--

(a) to confer any powers on the Commission in addition to powers conferred by other provisions of this Agreement, or any Act approving the same;

(b) to enable the Commission to do anything for which Part V and subsequent

Parts provide, otherwise than as provided for by those Parts as amended from time to time.

(3) The advice referred to in paragraph 17 (1) (a) shall be determined by majority vote of the Commissioners present who, with the presiding member, constitute a quorum. In the event of a unanimous decision not being reached, the presiding member and each Commissioner may tender separate advice to the Ministerial Council.

(4) In addition to any powers conferred upon it by other provisions of this Agreement, or any Act approving the same, the Commission has power, under the name of the Commission--

(a) to contract;

(b) to acquire, hold, deal with or dispose of property,

for the purpose of performing its functions and exercising its powers.

18. Composition of Commission

The Commission shall consist of the President and the Commissioners appointed pursuant to clause 20.

19. Declaration of interests

(1) Each Commissioner, other than the President, and each Deputy Commissioner shall disclose to the President any direct or indirect pecuniary interest held or acquired by that person in a business carried on in Australia or in a body corporate carrying on such a business that could conflict with that person's duties as a Commissioner or Deputy Commissioner.

(2) The President shall give written notice to the Chairperson of the Ministerial Council of all direct and indirect pecuniary interests held or acquired by the President in any business carried on in Australia or in any body corporate carrying on any such business.

20. Appointment of President, Deputy President, Commissioners and Deputy Commissioner

(1) The Ministerial Council shall, after seeking and considering the advice of the Commission, appoint a President by a unanimous vote of members of the Ministerial Council.

(2) Two Commissioners who, between them, represent water, land and environmental resource management and two Deputy Commissioners shall be appointed by each of the Governor-General, the Governor of New South Wales, the Governor of Victoria, the Governor of South Australia, and the Governor of any State becoming a party to this Agreement pursuant to clause 134.

(3) The Ministerial Council shall appoint one of the Commissioners appointed pursuant to sub-clause 20 (2) to be Deputy President.

21. Terms of Appointment

(1) The President, each Commissioner and Deputy Commissioner shall be appointed for a term not exceeding five years and be eligible for re-appointment.

(2) The Deputy President shall be appointed for a term not exceeding the term for which the Commissioner so appointed has been appointed a Commissioner pursuant to sub-clause 21 (1).

22. Continuation in Office

Where, immediately before the date of this Agreement a person holds office as the President, a Commissioner or Deputy Commissioner under the former Agreement, that person continues on and after that date to hold office for the remainder of that person's term of office.

23. When Deputy President or Deputy Commissioner may act

(1) Whenever--

(a) the President is--

(i) absent from Australia or from duty, or

(ii) unable for any reason to attend a meeting of the Commission, or
(iii) otherwise unable to perform the duties of the President, or
(b) there is a vacancy in the office of the President,
the Deputy President shall act in the place of the President, and while so acting, shall have all the powers and perform all the duties of the President.

(2) Whenever--

(a) a Commissioner for a party is--

- (i) absent from Australia or from duty,
- (ii) unable for any reason to attend a meeting of the Commission, or
- (iii) acting in the place of the President as Deputy President, or
- (iv) otherwise unable to perform the duties of a Commissioner, or

(b) there is a vacancy in the office of a Commissioner,
a Deputy Commissioner for that party shall act in the place of that Commissioner, and while so acting, shall have all the powers and perform all the duties of that Commissioner.

24. Powers and duties of the President

(1) The President has such powers and duties as may be specified or conferred upon the President--

- (a) by this Agreement;
- (b) the Ministerial Council;
- (c) the Commission,

or as may be delegated to the President under sub-clause 34 (1).

(2) Powers or duties specified or conferred upon the President--

- (a) by the Ministerial Council may be revoked by the Ministerial Council,
- (b) by the Commission may be revoked by a majority vote of the Commissioners.

(3) Specifying or conferring a power on the President under this clause does not prevent the exercise of that power by the Ministerial Council or the Commission, as the case may be.

(4) When the President exercises a power specified or conferred under this clause it is deemed to have been exercised by the Ministerial Council or the Commission, as the case may be.

25. Powers of Commissioners

Except as provided in this Agreement or any Schedule, Commissioners have equal powers.

26. Conditions of appointment and remuneration of the President

(1) The Ministerial Council may, from time to time--

- (a) determine the terms of employment or engagement and remuneration of the President;
- (b) if necessary, provide for the superannuation of the President.

(2) The President shall be responsible to the Ministerial Council for the proper execution of the President's powers and duties.

(3) Any payments made pursuant to sub-clause 26 (1) shall be borne by the Contracting Governments in equal shares.

27. Remuneration of Commissioners and Deputy Commissioners

Each Commissioner or Deputy Commissioner shall be paid by the Contracting Government by whose Governor-General or Governor (as the case may be) the Commissioner or Deputy Commissioner has been appointed such remuneration, allowances or expenses (if any) as shall be determined by or under any applicable law, or, in the absence of such law, by that Contracting Government.

28. Removal from office

(1) The President or Deputy President may at any time be removed from office by the

unanimous vote of the Ministerial Council.

(2) A Commissioner or Deputy Commissioner for the Commonwealth may at any time be removed from office by the Governor-General.

(3) A Commissioner or a Deputy Commissioner for a State may at any time be removed from office by the Governor of that State.

29. Resignation

(1) The President or Deputy President may at any time tender resignation of that appointment in writing addressed to the Chairperson of the Ministerial Council.

(2) A Commissioner or a Deputy Commissioner for the Commonwealth may at any time tender resignation of that appointment in writing addressed to the Governor-General.

(3) A Commissioner or Deputy Commissioner for a State may at any time tender resignation of that appointment in writing addressed to the Governor of that State.

(4) Resignation tendered under this clause shall only take effect upon its acceptance by the Chairperson of the Ministerial Council, the Governor-General or the Governor, as the case may be.

30. Vacancies

(1) Whenever a vacancy occurs in the office of the President or Deputy President, the Ministerial Council shall appoint a person to the vacant office.

(2) Wherever a vacancy occurs in the office of a Commissioner or Deputy Commissioner the Governor-General or the Governor of a State shall appoint a person to the vacant office, as the case requires.

31. Validity of proceedings

No act, proceeding or determination of the Commission shall be invalid on the ground only of any defect in the appointment of the President, the Deputy President, any Commissioner or Deputy Commissioner.

32. Meetings of the Commission

(1) The President and the Commissioners may meet together for the transaction of the Commission's business and may adjourn any meeting.

(2) The President or any Commissioner may at any time call a meeting of the Commissioners.

(3) The President shall preside at all meetings of the Commission at which the President is present.

(4) The Deputy President shall preside at any meeting of the Commission at which the President is not present.

(5) The presiding member shall not have a deliberative vote but shall have a casting vote as provided in sub-clauses 34 (2) and 96 (2).

(6) The two Commissioners for a Contracting Government shall have a joint vote, exercisable in the absence of one by the other.

(7) The presiding member and one Commissioner for each Contracting Government shall be a quorum.

(8) Except as provided on sub-clauses 17 (3), 34 (2) and 96 (2) a resolution before the Commission will be carried only by a unanimous vote of all Commissioners present who, with the presiding member, constitute a quorum.

(9) The Commission must, subject to this Agreement, determine its own procedure.

(10) The Commission must keep proper minutes of its proceedings.

33. Resolutions other than at meetings

(1) The Commission may make a resolution other than at a duly convened meeting.

(2) Before a resolution is made pursuant to sub-clause 33 (1)--

(a) the text of the proposed resolution must be referred to one or more Commissioners nominated by each Contracting Government; and

(b) that Commissioner or those Commissioners must approve the text of the

proposed resolution.

(3) A resolution under this clause shall be made at the time when each Commissioner referred to in sub-clause 33 (2) has signified approval of the resolution to an officer authorised by the Commission.

(4) A Commissioner may signify approval of a resolution by any means, provided that--

(a) approval by telephone must be signified in person by the Commissioner;

(b) approval in writing must be by letter or facsimile transmission which has been dated and signed by the Commissioner.

(5) Notwithstanding the provisions of sub-clause 33 (2) (b) approval to a proposed resolution by the Deputy Commissioner acting under clause 23 shall be valid for all purposes.

(6) A resolution made under this clause must be duly recorded and a copy sent to each Commissioner within 21 days of the resolution being made.

34. Delegation

(1) The Commission may either generally or in relation to a matter or class of matters by resolution of the Commission delegate to the President, any Commissioner or any officer any of its powers under this Agreement, except this power of delegation.

(2) A delegation under sub-clause 34 (1) may be revoked by a majority vote of the Commissioners or, if the voting is equally divided, by the casting vote of the presiding member.

(3) A delegation of any power pursuant to this clause shall not prevent the exercise of that power by the Commission.

(4) A power so delegated, when exercised by the delegate, shall, for the purposes of this Agreement, be deemed to have been exercised by the Commission.

35. Appointment of Committees

(1) The Commission may, from time to time, appoint such temporary or standing committees as it shall see fit.

(2) A committee shall have such members, terms of reference, powers and functions as the Commission determines.

36. Employees of the Commission

The Commission may, from time to time, as it sees fit--

(a) employ and dismiss people;

(b) engage employment agencies to provide staffing services;

(c) engage consultants;

(d) determine the terms and manner of employment of people or engagement of consultants and their remuneration;

(e) provide for the superannuation of people employed by it.

37. Employment of officers in public service or in statutory authorities

(1) The Commission may, with the consent of the Minister controlling any Department of the Public Service of any Contracting Government and on such terms as may be mutually arranged, make use of the services of any of the officers of that Department.

(2) The Commission may, with the approval of a public authority and on such terms as may be mutually arranged, make use of the services of any officer of that public authority.

38. Liability for acts of the President, the Commissioners and officers

(1) The Contracting Governments shall jointly indemnify the President or the Deputy President, in respect of any act or omission of the President or Deputy President, and for any losses or costs incurred by either of them, in the bona fide execution of the powers vested in the President, the Deputy President or the Commission by or under this Agreement or any Act approving the same.

(2) Each Contracting Government must indemnify the Commissioners and Deputy

Commissioners appointed by the Governor-General or the Governor of its State, as the case may be, in respect of any act or omission of any of those Commissioners or those Deputy Commissioners, and for any losses or costs incurred by any of them, in the bona fide execution of the powers vested in the Commission by or under this Agreement or any Act approving the same.

(3) The Contracting Governments must jointly indemnify each officer in respect of any act or omission of, and for any losses incurred by that officer in the bona fide execution of that person's duties as an officer of the Commission.

(4) Any payments made pursuant to sub-clause 38 (1) or 38 (3) must be borne by the Contracting Governments in equal shares.

PART V – INVESTIGATION, MEASUREMENT AND MONITORING

39. Investigations and studies

(1) The Commission may co-ordinate, carry out or cause to be carried out surveys, investigations and studies regarding the desirability and practicability of works or measures for the equitable, efficient and sustainable use of water, land and other environmental resources of the Murray-Darling Basin, including but not limited to works or measures for--

- (a) the conservation and regulation of river water;
- (b) the protection and improvement of the quality of river water;
- (c) the conservation, protection and management of aquatic and riverine environments;
- (d) the control and management of groundwater which may affect the quality or quantity of river water.

(2) The Commission may, without further approval of any Contracting Government, carry out, or cause to be carried out surveys, investigations or studies pursuant to sub-clause 39 (1) on or adjacent to--

- (a) the upper River Murray;
- (b) the River Murray in South Australia.

(3) Except as provided in sub-clause 39 (2), the Commission must not carry out or cause to be carried out surveys, investigations or studies within the territory of any State without--

- (a) informing the Ministerial Council of the proposed surveys, investigations and studies; and
- (b) obtaining the consent of that State Contracting Government.

(4) The Commission may initiate proposals for works or measures resulting from surveys, investigations or studies carried out under this clause.

(5) If the implementation of any proposal is likely significantly to affect water, land or other environmental resources under the control, supervision or protection of a Contracting Government or a public authority responsible to that Contracting Government, the Commission must--

- (a) inform the Ministerial Council of the likelihood; and
- (b) consider any submissions made by that or any other Contracting Government, or public authority; and
- (c) report to the Ministerial Council on any such submissions and the result of the Commission's consideration thereof.

40. Monitoring

The Commission--

- (a) must, from time to time, advise the Ministerial Council on the adequacy and effectiveness of the arrangements for monitoring; and
- (b) subject to clause 42, may establish, maintain and operate effective means for

monitoring the quality, extent, diversity and representativeness of water, land and other environmental resources of the Murray-Darling Basin, including but not limited to--

- (i) aquatic and riverine environments;
- (ii) the effect of groundwater on water, land and other environmental resources.

41. Measurements of water quantity and quality

The Commission must establish, maintain and operate an effective and uniform system--

- (a) for making and recording continuous measurements of--
 - (i) the flow of the River Murray, and tributaries of the River Murray within the boundaries of each State; and
 - (ii) the volume of stored water,at such locations as the Commission deems necessary to determine the volume of the intake from the several portions of the drainage area of the River Murray, the flow at selected locations along the River Murray and the losses from selected reaches of the River Murray, with their positions and modes of occurrence;
- (b) for making and recording continuous measurements of all diversions, whether natural or artificial, or partly natural and partly artificial, from the River Murray and its tributaries; and
- (c) for measuring and monitoring the quality of--
 - (i) River Murray water,
 - (ii) water in tributaries of the River Murray at such locations at or near the confluence of each of those tributaries with the River Murray as the Commission, after consultation with the appropriate authorities of each of the Contracting Governments, deems necessary,
 - (iii) stored water.

42. Need for approval in certain cases

- (1) The Commission may, without further approval of any Contracting Government, establish, maintain and operate any system or means referred to in clauses 40 and 41 on or adjacent to--
 - (a) the upper River Murray;
 - (b) the River Murray in South Australia.
- (2) Except as provided in sub-clause 42 (1), the Commission must not establish, maintain or operate any system or means referred to in clauses 40 and 41 within the territory of any State without--
 - (a) informing the Ministerial Council of the proposed system or means; and
 - (b) obtaining the consent of that State Contracting Government.

43. Power to arrange data in lieu

Instead of establishing, maintaining or operating systems and means referred to in clauses 40 and 41, the Commission may--

- (a) adopt the results of any measurements or monitoring made by any Contracting Government; or
- (b) request a State Contracting Government to carry out any monitoring or measurement within its territory in such manner as the Commission considers necessary.

44. Water quality objectives

The Commission must formulate water quality objectives for the River Murray and make recommendations with respect thereto to the Ministerial Council.

45. Recommendations re water quantity and quality

The Commission may make recommendations to the Contracting Governments, any authority, agency or tribunal of a Contracting Government, or the Ministerial Council, concerning any matter, including the carrying out of any works or measures by a Contracting Government,

which, in the opinion of the Commission, may in any way affect the quality or quantity of the waters of the River Murray or the stored water and shall inform the Ministerial Council of the recommendations at the time they are made.

46. Commission to be informed of new proposals

- (1) Whenever a Contracting Government or a public authority is considering any proposal which may significantly affect the flow, use, control or quality of any water in the upper River Murray and in the River Murray in South Australia, that Contracting Government must, or must ensure that the public authority shall--
 - (a) inform the Commission of the proposal, and
 - (b) provide the Commission with all necessary information and data to permit it to assess the anticipated effect of the proposal on the flow, use, control or quality of the water.
- (2) The necessary information and data must be provided in sufficient time to allow the Commission--
 - (a) to assess the possible effect of the proposal on the flow, use, control or quality of that water; and
 - (b) to make representations thereon to that Contracting Government or public authority,before the Contracting Government or public authority decides if the proposal will proceed.
- (3) The Commission shall consult with each Contracting Government, and with any public authority responsible to a Contracting Government which that Contracting Government or the Commission considers is likely to consider a proposal of the type referred to in sub-clause 46 (1), with a view to reaching agreement with that Contracting Government, or that public authority, as to--
 - (a) the types of proposals to which sub-clause 46 (1) shall apply; and
 - (b) the criteria to be used in assessing those proposals to which sub-clause 46 (1) applies.
- (4) Despite sub-clause 46(3), sub-clauses 46(1) and 46(2) apply to any proposal referred to in clause 24 of Schedule G.

47. Environmental Assessment

The Commission must, in exercising its powers or functions, or in implementing works or measures under this Agreement, examine and take into account any possible effects which the exercise of those powers or functions or those works or measures may have on water, land and other environmental resources within the Murray-Darling Basin.

48. Protection of catchment of Hume Reservoir

- (1) The State Contracting Governments of New South Wales and Victoria must take effective measures to protect the portions of the catchment of the Hume Reservoir within their respective States from erosion.
- (2) Each of those Contracting Governments must, before the end of June in each year, forward a report to the Commission on--
 - (a) the condition of the portion of the catchment of the Hume Reservoir within its territory,
 - (b) the measures taken and work carried out during the twelve months to the end of March immediately preceding, and
 - (c) particulars of the measures and works proposed for the next twelve months.
- (3) The Commission must, from time to time, inspect or cause to be inspected such portions of the catchment of the Hume Reservoir as it thinks fit and may indicate at any time whether in its opinion the measures taken and works carried out are effective. If, on any inspection, the Commission considers that any of those measures or works are

ineffective, it must notify the Contracting Government concerned which must, to the extent that it may be practicable, take action to make those measures and works effective.

(4) Measures, works and action taken or carried out by a Contracting Government pursuant to sub-clause 48 (1) or 48 (3) shall be paid for by that Contracting Government.

(5) If at any time the Commission considers that there is need for special action to protect the catchment of the Hume Reservoir from erosion, other than, or in addition to, the measures, works and action taken or carried out under sub-clauses 48 (1) and 48 (3), the Commission may require the Contracting Government, in whose territory the special action is to be carried out, to investigate the position and to take such special action as may be required by the Commission.

PART VI – CONSTRUCTION, OPERATION AND MAINTENANCE OF WORKS

49.

(1) Works or measures from time to time included in a Schedule to this Agreement or authorised pursuant to clause 50 must be constructed, operated, maintained, renewed or implemented (as the case may require):

- (a) in accordance with the provisions of this Agreement and any Acts approving the same; and
- (b) by the Contracting Government from time to time nominated by the Ministerial Council for the purpose.

(2) A Contracting Government described as a "Nominated Government" in Schedule A with respect to a work is deemed to have been nominated by the Ministerial Council under paragraph 49(1)(b) to construct, operate, maintain and renew that work, until the Ministerial Council nominates another Contracting Government for one or more of those purposes, with respect to that work.

50. Authorisation of further works or measures

(1) The Ministerial Council, or the Commission may authorise--

- (a) the construction of any works in addition to works set out in Schedule A,
- (b) the improvement of any works constructed under this Agreement,
- (c) the replacement of any works constructed under this Agreement,
- (d) work to remedy the extraordinary failure of part or all of any work constructed under this Agreement,
- (e) the implementation of any measures,

to promote the equitable, efficient and sustainable use of the water, land and environmental resources of the Murray-Darling Basin, as provided in this clause.

(2) The Commission may authorise the execution of any work or the implementation of any measure pursuant to this clause which is estimated to cost not more than \$2,000,000, or such other amount determined by the Ministerial Council from time to time.

(3) The Ministerial Council may authorise the execution of any work or the implementation of any measure pursuant to this clause which is estimated to cost more than \$2,000,000, or such other amount determined by the Ministerial Council from time to time.

(4) All provisions of this Agreement apply mutatis mutandis to any work or measure approved under this clause.

(5) When any work or measure is authorised pursuant to sub-clauses 50 (2) or 50 (3), the Commission or the Ministerial Council, as the case may be, must nominate which of the Contracting Governments shall be responsible for--

- (a) the construction, operation and maintenance of such work, or
- (b) the implementation of such measure,

in whole or in part.

(6) The Ministerial Council may--

- (a) resolve to include any works or measures authorised pursuant to sub-clause 50 (1) in a Schedule to the Agreement;
- (b) may approve any Schedule prepared or amended pursuant to paragraph 50 (6) (a).

(7) When a Schedule is approved by the Ministerial Council under paragraph 50 (6) (b) it thereupon becomes part of the Agreement, which is deemed to have been amended accordingly.

(8) Paragraph 6 (b) applies to any amendment of the Agreement made pursuant to sub-clause 50 (7).

51. Ancillary, preventative and remedial works

(1) On the application of a Commissioner, the Commission may meet, or contribute to the costs of, or associated with--

- (a) the construction, operation or maintenance of--
 - (i) any works of a Contracting Government ancillary to the works constructed pursuant to this Agreement or the former Agreement; and
 - (ii) any preventive or remedial works of a Contracting Government necessitated by, or arising from, the construction or operation of works constructed pursuant to this Agreement or the former Agreement;
- (b) the acquisition by a Contracting Government of any interest in land necessary for the construction, operation or maintenance of those ancillary, preventative or remedial works, or for the provision of flood easements; and
- (c) remedying any actual or anticipated damage or injury occasioned by the construction, operation or maintenance of any works provided for in this Agreement or the former Agreement.

(2) Before meeting, or contributing to the costs of, or associated with the construction of any works or the acquisition of any interest in land estimated to cost more than \$1,000,000, or such other amount determined by the Ministerial Council from time to time, pursuant to sub-clause 51 (1), the Commission must obtain the consent of the Ministerial Council.

52. Preparation and submission of designs, etc. of works for Commission approval

(1) A Contracting Government nominated to construct a work pursuant to this Agreement must submit a general scheme of the work to the Commission for its approval.

(2) Before beginning to construct that work, the Contracting Government must submit designs, specifications and estimates of the work to the Commission for its approval.

(3) The Commission may approve the general scheme, designs, specifications or estimates with or without alterations or additions, or may, from time to time, refer any of them for amendment to the Contracting Government submitting them.

(4) The Contracting Government must carry out an authorised work in accordance with--

- (a) the designs and specifications approved by the Commission; and
- (b) any directions given by the Commission pursuant to clause 55.

(5) Where any work is estimated to cost more than \$2,000,000, or such other amount determined by the Ministerial Council from time to time--

- (a) the Commission must inform the Ministerial Council of the general scheme of the work and the general method of its proposed construction; and
- (b) the work shall not proceed unless the general scheme of the work and the general method of its proposed construction accord with the purposes for which the work was authorised.

53. Submission of details of measures for Commission approval

(1) A Contracting Government nominated to implement any measure pursuant to this Agreement must submit--

- (a) a general description of the measure and of the method of implementing it;

- (b) the estimated cost of implementing the measure;
 - (c) proposed arrangements for sharing the costs of implementing the measure among the Contracting Governments,
- to the Commission for its approval.
- (2) The Contracting Government must implement an authorised measure in accordance with--

- (a) those matters approved by the Commission under sub-clause 53 (1);
- (b) any directions given by the Commission pursuant to clause 55.

54. Commission and Ministerial Council approval of certain tenders

- (1) A Constructing Authority must obtain approval of the Ministerial Council before accepting any tender relating to this Agreement for any amount exceeding \$2,000,000, or such other amount determined by the Ministerial Council from time to time.
- (2) If the concept or design of any work or measure or any changes thereto cause the total estimated cost of the work or measure to rise by more than 10% of the amount of the accepted tender, the Commission must--
- (a) immediately notify the Ministerial Council, and
 - (b) if the Ministerial Council does not agree that the work or measure should proceed within one month of being notified of the increased estimated cost, direct the Constructing Authority to suspend further action on that work or measure.

55. Directions for the efficient construction etc. of works

- (1) The Commission may give directions to ensure--
- (a) the efficient construction, operation, maintenance and required performance of any work,
 - (b) the efficient implementation of any measures,
- authorised pursuant to this or the former Agreement.
- (2) A Constructing Authority must give effect to any directions given to it by the Commission under sub-clause 55 (1).
- (3) The Commission may direct--
- (a) if necessary, what shall be regarded as:
 - (i) investigations, construction and administration; or
 - (ii) major or cyclic maintenance; or
 - (iii) operation and maintenance,for the purpose of clause 65,
 - (b) the doing of such acts or things as it considers necessary to ensure that the provisions of this Part are observed.
- (4) In exercising its power under paragraph 55 (3) (a), the Commission must not direct that any of the following description of work shall be regarded as operation and maintenance--
- (a) the execution of any improvement to the design or function of any existing work;
 - (b) the replacement of the whole of any existing work;
 - (c) work to remedy the extraordinary failure of part or all of any existing work.

56. States to facilitate construction and operation within their territories

A State Contracting Government must grant all powers, licences or permissions with respect to its territory as may be necessary for--

- (a) the construction, operation or maintenance of any works;
- (b) the implementation of any measures; or
- (c) the carrying out of any operation,

required to be undertaken by any other Contracting Government or a public authority pursuant to this Agreement.

57. Works for benefit of State Contracting Governments

- (1) Any State Contracting Government which, either alone or jointly with another Contracting Government, proposes to carry out any work not provided for by this Agreement within the banks of the River Murray in South Australia or the upper River Murray, must submit particulars of the proposal, including plans of the proposed work, to the Commission.
- (2) Sub-clause 57 (1) does not apply to the Great Darling Anabranch.
- (3) The Commission may approve the plans of the proposed work with or without alteration.
- (4) The Commission may from time to time stipulate conditions for the operation of any work constructed under this clause which--
 - (a) provides for the storage of water; or
 - (b) will affect the flow, use, control or quality of the water of the River Murray, in so far as that operation may affect regulation of the flow or the quality of the water.
- (5) The cost of constructing, operating and maintaining works proposed pursuant to this clause must be borne by--
 - (a) the State Contracting Government proposing the work; or
 - (b) the Contracting Governments jointly proposing the work in such proportion as may be agreed between those Contracting Governments.
- (6) A State Contracting Government must operate any work carried out pursuant to this clause in such manner as the Commission may require from time to time.

58. Declaration that works or measures are effective

At any time after construction of any work or implementation of any measure authorised pursuant to sub-clause 50 (1) has commenced, the Commission may declare that work or measure to be effective for the purposes of this Agreement.

59. Maintenance of works

A Contracting Government nominated to construct a work pursuant to paragraph 49(1)(b) must maintain it and keep it effective for its original purpose, unless it has been declared ineffective pursuant to clause 64.

60. Procedures for operation of works

The Commission may, from time to time, determine procedures for the operation of works constructed or measures implemented pursuant to this or the former Agreement.

61. Dredging and snagging

- (1) The Commission may from time to time direct that the River Murray upstream of any weir constructed pursuant to this or the former Agreement be dredged or snagged for such distance as the Commission may determine.
- (2) The distance determined pursuant to sub-clause 61 (1) must not exceed the distance to which the navigability of the River Murray is affected by the weir.
- (3) The Contracting Government which constructed the weir must, carry out the Commission's direction and meet the cost involved, unless the Commission resolves to meet the whole or part of the cost.

62. Operation of works

- (1) The Contracting Government nominated to operate a work pursuant to paragraph 49(1)(b) must--
 - (a) operate it in accordance with any procedures determined by the Commission under clause 60;
 - (b) if the work is a lock, maintain immediately downstream of the lock such depth of water--
 - (i) as is sufficient for navigation of vessels drawing 1.4 metres of water; or

- (ii) such other depth determined by the Commission under clause 123, except when the lock is closed for maintenance or when there is an emergency.
- (2) Paragraph 62 (1) (b) does not apply to Weir and Lock No. 26 Torrumbarry nor to Weir and Lock No. 15 Euston.

63. Performance of joint duties

Where Contracting Governments are jointly under a duty to operate or maintain any works or implement any measures or to carry out any operation, any questions as to which Government is to perform that duty or carry out that operation shall be resolved--

- (a) by mutual agreement; or
(b) if agreement is not possible, by the Commission.

64. Ineffective works

- (1) The Commission may at any time declare ineffective the whole or part of any work or measure which is subject to this or the former Agreement.
- (2) The State Contracting Government which operates or maintains any work declared to be ineffective must dismantle so much of that work as the Commission may require.

PART VII – FINANCE

65. Definitions

In this Part:

" has the meaning set out in sub-clause 67(2);

" means a financial benefit or assistance to obtain a financial benefit arising from or as a result of:

- (a) a loan;
(b) issuing, endorsing or otherwise dealing in promissory notes;
(c) drawing, accepting, endorsing or otherwise dealing in bills of exchange;
(d) issuing, purchasing or otherwise dealing in securities;
(e) granting or taking a lease of any real or personal property for financing but not for operating purposes;
(f) any other arrangement approved by the Ministerial Council;

" means the costs of:

- (a) investigating and constructing works set out in Schedule A; and
(b) investigating and constructing any other works and implementing measures authorised under this Agreement; and
(c) studies, programs, surveys and investigations carried out pursuant to clause 39; and
(d) establishing systems referred to in clause 41; and
(e) systems established pursuant to a request made under paragraph 43(b); and
(f) special action taken under sub-clause 48(5) which the Ministerial Council has determined to be investigations, construction and administration costs; and
(g) any payment by the Commission in respect of the construction of works under sub-clause 51(1); and
(h) complying with the direction given under sub-clause 54(2); and
(i) dismantling works referred to in sub-clause 64(2); and
(j) any payment by the Commission under paragraph 131(a); and
(k) administrative and other expenses of the Commission, the Ministerial Council and the Community Advisory Committee constituted under sub-clause 14(1);

" has a meaning determined by reference to the guidelines established by the Commission under sub-clause 67(4);

" means the costs of:

- (a) operating and maintaining works set out in Schedule A; and
- (b) operating and maintaining any other works authorised under this Agreement; and
- (c) operating and maintaining systems referred to in clause 41; and
- (d) operating and maintaining systems established pursuant to a request made under paragraph 43(b); and
- (e) special action taken under sub-clause 48(5) which the Ministerial Council has determined to be operation and maintenance costs; and
- (f) any payment made by the Commission in respect of the operation or maintenance of works under sub-clause 51(1); and
- (g) such dredging or snagging carried out under clause 61 which the Commission has resolved to meet; and
- (h) any payment made by the Commission under paragraph 131(b);

" includes inscribed stock and debenture, bond, debenture stock, note or any other document creating, evidencing or acknowledging indebtedness in respect of financial accommodation, whether constituting a charge on property of the Commission or not.

66. Apportionment of costs

- (1) The Ministerial Council, after considering any recommendation of the Commission, must determine:
 - (a) what contribution, if any, is to be made by any State or Territory becoming a party pursuant to clause 134; and
 - (b) whether some or all of that contribution is to be made as a lump sum or in a comparable manner to a manner provided for in sub-clause 66(3), (4) or 67(2).
- (2) Subject to sub-clause 66(1), the Ministerial Council:
 - (a) may, on the recommendation of the Commission, from time to time determine which proportion of the services provided by the Commission's water business is attributable to each State Contracting Government; and
 - (b) must, at intervals not exceeding five years, reconsider the proportions determined under paragraph 66(2)(a); and
 - (c) may, on the recommendation of the Commission, alter the proportions determined under paragraph 66(2)(a).
- (3) Unless the Ministerial Council decides otherwise and subject to any decision of the Ministerial Council under sub-clause 66(1), a State Contracting Government must contribute to operation and maintenance costs in the relevant proportion determined under sub-clause 66(2).
- (4) Unless the Ministerial Council decides otherwise and subject to any decision by the Ministerial Council under sub-clause 66(1) and the provisions of clause 67:
 - (a) the Commonwealth Government must contribute one-quarter of all investigations, construction and administration costs after first deducting any contribution to those costs made by any State or Territory:
 - (i) becoming a party pursuant to clause 134; or
 - (ii) pursuant to any understanding reached between that State or Territory and the Contracting Governments; and
 - (b) the State Contracting Governments must together contribute three-quarters of all investigations, construction and administration costs:
 - (i) relating to the Commission's water business, in the relevant proportions determined under sub-clause 66(2); and
 - (ii) relating to measures implemented under this Agreement, in equal shares.

(5) The Ministerial Council, after considering any recommendation by the Commission, must determine whether the costs of any special action taken under sub-clause 48(5) are investigations, construction and administration costs or operation and maintenance costs.

67. Borrowings and Annuity Contributions

(1) The Commission may, with the prior approval of the Ministerial Council, obtain financial accommodation with respect to any:

- (a) investigations, construction and administration costs; and
- (b) major or cyclic maintenance costs,

incurred, or which the Commission proposes to incur, for the purposes of the Commission's water business.

(2) The Ministerial Council, on the recommendation of the Commission, may from time to time determine that a Contracting Government must make an annual annuity contribution in respect of either or both of:

- (a) investigations, construction and administration costs; and
- (b) major or cyclic maintenance costs,

which the Contracting Government might otherwise be required to contribute under sub-clause 66(1), (3), paragraph 66(4)(a) or sub-paragraph 66(4)(b)(i), in any future year.

(3) In fixing any annuity contribution under sub-clause 67(2), the Ministerial Council must have regard to the Commission's estimate of costs which will be incurred during the next ensuing 30 years (or such other period as the Commission determines) in relation to either or both of:

- (a) the construction or renewal; and
- (b) major or cyclic maintenance,

of works constructed, operated, maintained or renewed for the purposes of the Commission's water business (as the case requires) including any interest or other sums receivable or payable in respect of any income received, or any financial accommodation obtained, by the Commission from time to time in relation to those works.

(4) For the purposes of this Part, the Commission must establish guidelines for determining what is, and what is not, major or cyclical maintenance.

68. Annual and forward estimates

(1) The Commission must prepare:

- (a) detailed annual estimates of its known and anticipated expenditure for the next financial year; and
- (b) forward estimates of its known and anticipated expenditure for the two successive financial years following the next financial year.

(2) Annual and forward estimates must:

- (a) be in such form as may from time to time be agreed between the Commission and the Ministerial Council; and
- (b) show the estimated amount to be contributed by each Contracting Government; and
- (c) be sent to each Contracting Government before the end of March in each year; and
- (d) be approved by the Ministerial Council,

and may be revised from time to time with the approval of the Ministerial Council.

69.

Each Contracting Government must pay any amount payable by it under clause 66 or 67 as and when required by the Commission.

70. Proper accounts to be kept

The Commission must ensure that--

- (a) proper accounts and records are kept of its transactions and affairs,

- (b) all payments from its moneys are properly authorised and made,
- (c) assets of, or in the custody of, the Commission are adequately controlled,
- (d) the incurring of liabilities by the Commission is adequately controlled.

71. Commission to account

The Commission must account to the Ministerial Council and each Contracting Government for all moneys received from the Contracting Governments under this Agreement.

72. Application of moneys by Commission

- (1) Subject to sub-clause 72(3), the Commission must apply money paid by the Contracting Governments in accordance with the relevant estimates referred to in paragraph 68(1)(a).
- (2) In any financial year, the Commission may, as it sees fit--
 - (a) spend any anticipated savings on an item in the estimates prepared or revised under paragraph 68(1)(a) on any item which it anticipates will be overspent,
 - (b) advance sums to any Constructing Authority, public authority or person for expenditure in accordance with those estimates in that, or any subsequent financial year, and
 - (c) advance working capital to a Constructing Authority and replenish amounts expended from that advance from time to time.
- (3) The Commission may accumulate:
 - (a) any sums received under sub-clause 66(3) or (4) for the purposes of the Commission's water business, but not expended in any year; and
 - (b) any annuity contributions received under clause 67,
for use in subsequent years.
- (4) Any sum referred to in paragraph 72(3) and any interest thereon must:
 - (a) in the case of sums received under sub-clause 66(3), only be expended on operation and maintenance costs; and
 - (b) in the case of sums received under sub-clause 66(4), only be expended on investigations, construction and administration costs; and
 - (c) in the case of annuity contributions received under clause 67:
 - (i) from a State Contracting Government, only be expended on either:
 - (A) investigations, construction and administration costs; or
 - (B) major or cyclic maintenance costs,
of the Commission's water business, as the case requires; or
 - (ii) from the Commonwealth, only be expended on investigations, construction and administration costs of the Commission's water business.

73. Payments by Commission to Constructing Authorities

- (1) The Commission must each year, and in accordance with the estimates referred to in paragraph 68(1)(a), pay to any Constructing Authority required by the Agreement--
 - (a) to construct, operate or maintain any works,
 - (b) to carry on any operation,
 - (c) to implement any measures,an amount sufficient to defray either--
 - (i) the whole cost, or
 - (ii) in the case of the cost referred to in paragraph 131 (b), three quarters of the cost,
to be incurred by the Constructing Authority for those purposes in that year.
- (2) The Commission must make the payments required under sub-clause 73 (1) at such times and in such manner as is agreed between the Commission and the Constructing Authority.
- (3) The Commission must not make any payment relating to the construction of any works or implementation of any measures referred to in sub-clause 50 (1) until

construction or implementation has been authorised in accordance with that sub-clause.

74. Contracting Governments to account

Each Contracting Government and any public authority must account to the Commission for all moneys received from the Commission under this Agreement.

75. Unexpended balances

- (1) The unexpended balance of moneys paid to the Commission by Contracting Governments for implementing measures in any financial year:
 - (a) shall, with the approval of the Ministerial Council, be available for expenditure in a subsequent financial year upon any item in the annual estimates approved by the Ministerial Council for the relevant year; or
 - (b) may be used to reduce the amounts which would otherwise be payable by each Contracting Government under clause 69 in that subsequent financial year.
- (2) The Commission must notify Contracting Governments of the unexpended balances of moneys referred to in sub-clause 75(1) held by it at the end of any financial year.
- (3) Any unexpended balance referred to in sub-clause 75(1) must only be expended on implementing measures under this Agreement.

76. List of assets

- (1) Except as provided in sub-clause 76 (2) the Commission must keep a list of assets acquired by--
 - (a) the Commission,
 - (b) a Constructing Authority with funds provided by the Commission.
- (2) The Commission need not keep a list of assets referred to in paragraph 76 (1) (b) if it is satisfied that--
 - (a) proper records of those assets are kept by the Constructing Authority, and
 - (b) copies of those records will be provided to the Commission at its request.

77. Disposal of surplus assets

- (1) The Commission may direct when and how surplus assets acquired by the Commission, or by a Constructing Authority with funds provided by the Commission, shall be disposed of.
- (2) The Commission must determine how proceeds from the disposal of surplus assets are:
 - (a) to be paid to the Commission and credited against future capital and renewal contributions by; or
 - (b) to be distributed among,the Contracting Governments, having regard to the contributions made by each Contracting Government to the acquisition of those assets.

78. Audit

- (1) The Commission's accounts, financial records and records of assets--
 - (a) must be audited annually by:
 - (i) an auditor appointed by the Ministerial Council; or
 - (ii) if no appointment is made under sub-paragraph 78(1)(a)(i), the Commonwealth auditor; and
 - (b) may be audited at any reasonable time by an auditor appointed by a Contracting Government.
- (2) An auditor referred to in paragraph 78(1)(a) must promptly inform each Contracting Government of any significant irregularity revealed by an audit.
- (3) The Commission must, at all reasonable times, make all its relevant accounts and records available to an auditor acting under sub-clause 78(1) or any person acting on behalf of that auditor.
- (4) An auditor acting under sub-clause 78 (1) or any person acting on behalf of the auditor, may copy, or take extracts from, any relevant accounts or records of the

Commission.

(5) The Commission and its officers must provide an auditor acting under sub-clause 78 (1) or any person acting on behalf of the auditor, with such information to which the Commission or its officers have access, as the auditor considers necessary for that audit.

(6) An auditor acting under paragraph 78(1)(a) must report to each Contracting Government, to the Ministerial Council and to the Commission.

79. Bank accounts

(1) The Commission may open and operate such bank accounts with such banks as it sees fit.

(2) The Commission must pay all money received by it into an account referred to in sub-clause 79 (1).

80.

The Commission may invest money received by it:

(a) in accordance with any guidelines established by the Ministerial Council; or

(b) in such manner as may be directed by the Ministerial Council,

but not otherwise.

81. Revenue

(1) Any money received by a Contracting Government or a public authority from the use of works subject to this Agreement (other than tolls referred to in clause 82) must be paid to the Commission.

(2) The Commission may provide and charge for goods and services incidental to its functions which are not otherwise provided for in this Agreement.

(3) Money paid to the Commission under this clause must either:

(a) be expended on investigations, construction and administration costs; or

(b) applied in accordance with sub-clause 75(1).

82. Tolls

(1) Tolls prescribed by the Commission for the use of weirs and locks subject to this Agreement must be collected by the State Contracting Government which operates the weir and lock.

(2) Except as provided in sub-clause 82 (1), tolls must not be collected in respect of navigation on the River Murray.

(3) Any moneys collected under sub-clause 82 (1) must be paid to the Commission.

(4) Money paid to the Commission under this clause must either:

(a) be expended on investigations, construction and administration costs; or

(b) applied in accordance with sub-clause 75(1).

83. Compensation for damage by works

The Contracting Governments must meet, in equal shares, any compensation for damage paid by a Constructing Authority pursuant to an Act approving this Agreement--

(a) caused or arising from anything done by it in constructing, operating or maintaining any works or executing any measures provided for in this Agreement; and

(b) which has not been met or contributed to by the Commission under paragraph 51 (1)

(c).

PART VIII – REPORTS

84. Preparation of reports

(1) As soon as practicable after the end of each financial year, the Commission must send to the Ministerial Council--

(a) a report on--

(i) the proceedings and activities of the Commission for that year;

- (ii) the extent to which the objectives, policies or plans of the Commission have been achieved or realised in that year;
 - (iii) the objectives, policies or plans of the Commission for future years.
- (b) its audited financial statements for that year.
- (2) The Commission may send the report referred to in paragraph 84 (1) (a) and its financial statements for any year to the Ministerial Council at the same time or at different times.
- (3) The Commission must send its financial statements to the Commonwealth auditor.
- (4) The Commonwealth auditor must report to the Ministerial Council--
- (a) whether, in the auditor's opinion, the statements are based on proper accounts and records,
 - (b) whether the statements are in agreement with the accounts and records,
 - (c) whether, in the auditor's opinion, the receipt, expenditure and investment of moneys, and the acquisition and disposal of assets, by the Commission during the year have been in accordance with this Agreement, and
 - (d) as to such other matters arising out of the statements as the Commonwealth auditor considers should be reported to the Ministerial Council.

PART IX – PROCEEDINGS IN DEFAULT

85. Failure to perform works or contribute cost

- (1) The Commission must immediately notify the Ministerial Council and each other Contracting Government if any Contracting Government fails, after being so required by the Commission--
- (a) to do anything in relation to any works or measures, or
 - (b) to pay any money to the Commission,
- which it is obliged to do or pay under this Agreement.
- (2) The Commission may authorise one or more of the Contracting Governments which is not in default wholly or partly to make good any failure which relates to--
- (a) the construction, operation or maintenance of any works,
 - (b) the carrying on of any operation,
 - (c) the implementation of any measures.
- (3) A Contracting Government authorised by the Commission under sub-clause 85 (2)--
- (a) may enter the territory of the defaulting Contracting Government to do whatever it has been authorised to do by the Commission,
 - (b) shall be deemed to have all powers, licences and permissions as are required from the defaulting Contracting Government to do whatever it has been authorised to do by the Commission,
 - (c) shall be deemed to have all the rights and powers of a Constructing Authority, including the right to receive any payment due under clause 73, in respect of whatever it has been authorised to do by the Commission,
 - (d) may, in a court of competent jurisdiction, recover, as a debt due from the defaulting Contracting Government, all money reasonably expended by it in doing whatever it has been authorised to do by the Commission and which has not been paid to it by the Commission by virtue of the right conferred by paragraph 85 (3) (c), together with interest at the prescribed rate.
- (4) A defaulting Contracting Government shall once more be deemed to be the Constructing Authority when--
- (a) any failure referred to in paragraph 85 (1) (a) has been made good, and
 - (b) it has paid all money payable by it under paragraph 85 (3) (d).
- (5) Unless the Commission decides otherwise in any particular case, a Contracting Government which fails to pay money due under clause 69 to the Commission by the due date is liable to pay interest on any outstanding balance at the prescribed rate.

- (6) Any other Contracting Government--
 (a) may pay the outstanding balance owed by a Contracting Government under clause 69, together with interest at the prescribed rate, and
 (b) may recover the amount so paid in a court of competent jurisdiction as a debt due from the defaulting Contracting Government.

(7) Any interest paid to the Commission in respect of outstanding amounts due under sub-clause 65 (2) must be paid to the Contracting Governments not in default in equal shares.

(8) Any interest paid to the Commission in respect of outstanding amounts due under sub-clause 65 (3) must be paid to the State Contracting Governments not in default in equal shares.

(9) Any interest payable under this clause shall be calculated from the due date to the date of actual payment.

PART X – DISTRIBUTION OF WATERS

DIVISION 1 – STATE ENTITLEMENTS TO WATER

86. South Australia's monthly entitlement

South Australia is entitled to receive--

- (a) the following monthly quantities of River Murray water--

July	50 500 megalitres
August	66 000 megalitres
September	77 000 megalitres
October	112 500 megalitres
November	122 000 megalitres
December	159 000 megalitres
January	159 000 megalitres
February	136 000 megalitres
March	128 000 megalitres
April	77 000 megalitres
May	35 000 megalitres
June	32 000 megalitres

except as provided in clause 127; and

(b) 58,000 megalitres per month for dilution and losses, unless the Commission determines otherwise; and

(c) such additional quantities for dilution as the Commission determines from time to time.

87. Measurement of South Australia's entitlement

(1) Each month South Australia is deemed to receive the sum of the water flowing in that month in--

- (i) the River Murray between the confluences of the Rufus and Lindsay Rivers with the River Murray, and
- (ii) the Lindsay River near its confluence with the River Murray.

(2) The Commission must determine the flows referred to in sub-clause 87 (1) in such manner as it sees fit.

88. Variation of South Australia's entitlements

The Commission may from time to time, at the request of a Commissioner for South Australia, vary for a specified sequence of months any of the monthly quantities which that State is entitled to receive under clause 86 without increasing the total of those quantities for that sequence.

89. Use of Lake Victoria

If the Commission decides that the flow or prospective flow of the River Murray downstream of its junction with the Great Darling Anabranch is, or will be for any month in excess of the sum of--

- (a) the quantities which South Australia is entitled to receive in that month under clause 86 or 88;
- (b) any quantities which, in the opinion of the Commission, ought to be and can be impounded in Lake Victoria during that month with the object of filling that storage at some time before the end of the next ensuing month of May; and
- (c) any quantities required for use by New South Wales and Victoria, downstream of the junction of the River Murray and the Great Darling Anabranch,

South Australia may receive that excess in addition to the quantity of water which it is entitled to receive under clause 86 or 88.

90. Surplus flow to South Australia

The quantity of water that South Australia is entitled to receive in any month shall not be reduced if it has received a greater quantity than it was entitled to receive under clause 86 or 88 in any previous month.

91. Entitlements of New South Wales and Victoria

(1) Except as otherwise expressly provided in Division 3 of this Part and subject to South Australia's entitlement under clause 86 or 88, New South Wales and Victoria are each entitled to use--

- (a) all the water in tributaries of the upper River Murray downstream of Doctors Point within its territory, before it reaches the River Murray,
- (b) half the natural flow at Doctors Point;
- (c) half the water entering the Menindee Lakes from the Darling River, subject to the prior entitlement of New South Wales to use water from the Menindee Lakes Storage as provided in clause 92,
- (d) subject to paragraph 91 (1) (c), an amount of water from the upper River Murray equivalent to any water contributed by any tributary or any outfall approved by the Commission entering the upper River Murray from its territory downstream of Doctors Point and
- (e) half of the volume of water calculated in accordance with clause 8 of Schedule G.

(2) Entitlements under sub-clause 91 (1) shall not be affected by the declaration of a period of special accounting except as specifically provided in Division 4 of this Part.

92. New South Wales' entitlement to water from Menindee Lakes

(1) Whenever water in the Menindee Lakes Storage falls below 480 000 megalitres, New South Wales may use the stored water as it requires until the volume next exceeds 640 000 megalitres.

(2) Whenever sub-clause 92 (1) does not apply, New South Wales may--

(a) divert from--

(i) the Menindee Lakes Storage; or

(ii) the Darling River below the Menindee Lakes Storage; or

(iii) the River Murray, below its junction with the Darling River; or

(b) release from the Cawndilla outlet regulator,

a total of up to 100,000 megalitres in any 12 month period commencing on 1 April.

(3) Whenever the Commission determines that--

(a) releases from the Menindee Lakes Storage exceed the water required for storage in Lake Victoria and to supply South Australia's entitlement; or

(b) water in the Menindee Lakes Storage exceeds 1 680 000 megalitres and the amount of the excess plus the estimated water currently in the River Murray and Darling River below the Menindee Lakes Storage is sufficient to supply South Australia's entitlement and to fill Lake Victoria,

any of that water used by New South Wales or released to provide for the retention of floodwaters shall not be deemed to be part of its entitlement under sub-clause 92 (2).

93. New South Wales' and Victoria's supply to South Australia

New South Wales and Victoria must provide, in equal proportions, South Australia's entitlement under clause 86 or 88 from the water available to them under clauses 91 and 92.

94. Limitations on use by New South Wales and Victoria

Unless the Commission determines otherwise, New South Wales or Victoria must not use water from the upper River Murray to an extent which may result in less than half the minimum reserve determined under clause 100 being held in upper River Murray storages and allocated to that State at the end of the following May.

DIVISION 2 – CONTROL BY COMMISSION

95. Commission's role in operation of storages

(1) The Commission may give directions for the release of water from upper River Murray storages and water must be released in accordance with any such directions.

(2) The Commission may give directions under sub-clause 95 (1) in the form of standing procedures, which it may amend or suspend at any time, except as provided in clause 97.

(3) In giving directions under this clause the Commission must have regard to--

(i) maintaining supply to South Australia of the quantities of water which that State is entitled to receive,

(ii) maintaining a minimum reserve of water as provided for in clause 100, and

(iii) facilitating the exercise by New South Wales and Victoria of their respective rights to use water from the upper River Murray, as they require.

(4) In giving directions under this clause the Commission may also have regard to--

(i) the improvement or maintenance of water quality in the River Murray (including the upper River Murray);

(ii) other water management and environmental objectives consistent with this Agreement.

96. Limitation on Menindee Lakes operation

(1) The Commission must not direct that water be released from Menindee Lakes Storage after its volume falls below 480 000 megalitres and before it next exceeds 640 000 megalitres.

(2) Subject to sub-clause 96 (1), a direction to release water from Menindee Lakes Storage may be given by a majority vote of the Commission or, if the Commission is

equally divided, by the casting vote of the presiding member.

97. Procedures for Dartmouth Dam operation

The Commission must not amend or, except in an emergency, suspend any standing procedures affecting the release of water through the power station of Dartmouth Reservoir without first consulting the State Electricity Commission of Victoria and the Constructing Authority for Victoria.

98. Water estimated to be under the control of the Commission

" "Water estimated to be under the control of the Commission" " means the aggregate of--

- (a) water stored in the Hume and Dartmouth Reservoirs above their minimum operating levels;
- (b) water stored in Lake Victoria above its minimum operating level;
- (c) water available for release from the Menindee Lakes Storage at the direction of the Commission in accordance with clause 96, after allowing for New South Wales' prior entitlements under clause 92;
- (d) the estimated natural flow of the River Murray at Doctors Point before the end of the following May;
- (e) water calculated in accordance with clause 9 of Schedule G;
- (f) the difference between the estimated amount of water in transit in the upper River Murray and the estimated amount of water in transit at the end of the following May.

99. Available water

From time to time the Commission must--

- (a) determine the minimum amount of water estimated to be under the control of the Commission;
- (b) determine the allowance to be made until the end of the following May for--
 - (i) losses by evaporation and other means in the upper River Murray; and
 - (ii) the entitlements of South Australia under paragraphs 86 (b) and 86 (c);
- (c) having regard to its determinations under paragraphs 99 (a) and 99 (b) determine the water available--
 - (i) for distribution to New South Wales, Victoria and South Australia before the end of the following May;
 - (ii) for holding in reserve at the end of the following May.

100. Minimum Reserve

(1) From time to time the Commission must determine the minimum reserve to be held at the end of the following May.

(2) Unless the Commission determines otherwise, the minimum reserve shall be the lesser of--

- (a) One third of the water available determined under paragraph 99 (c)

less

The sum of the monthly entitlements of South Australia under paragraph 86 (a) up to the end of the following May

plus

The sum of any imbalance of use during a period of special accounting calculated under clause 125;

and

- (b) 835,000 megalitres.

(3) If the minimum reserve determined under paragraph 100 (2) (a) is less than zero, then the minimum reserve shall be deemed to be zero.

(4) Unless the Commission determines otherwise, the first 250,000 megalitres of any minimum reserve shall be held in Lake Victoria.

101. Use of State works to convey Murray water

The Commission may arrange for water to be conveyed from one part of the upper River Murray to another via works under the control of a State Contracting Government, on such terms as may be agreed between the Commission and that State Contracting Government.

DIVISION 3 – WATER ACCOUNTING

102. General

The following provisions give effect to the principles set out in the preceding Divisions of this Part.

103. Allocation of water to New South Wales and Victoria

(1) In respect of any period--

(a) the natural flow of the River Murray at Doctors Point; and

(b) the volume of water calculated in accordance with clause 10 of Schedule G, must be allocated between New South Wales and Victoria as provided in sub-clause 103(2).

(2) The quantity of water estimated for any month in accordance with sub-clause 103 (1) shall be allocated as follows--

(a) for any of the months from May through to August inclusive, the whole quantity shall be allocated half each to New South Wales and Victoria;

(b) for any of the months from September through to April inclusive;

(i) whenever Victoria is subject to a period of special accounting, the first 12 900 megalitres per month (being equivalent to the ceding by Victoria to New South Wales of a volume of 6 450 megalitres per month), and

(ii) at any other time, the first 16 700 megalitres per month (being equivalent to the ceding by Victoria to New South Wales of a volume of 8 350 megalitres per month) shall be allocated to New South Wales, and the remainder shall be allocated half each to New South Wales and Victoria.

104. Allocation of water in Menindee Lake Storage

(1) Half the water entering the Menindee Lakes Storage from the Darling River is allocated to New South Wales and half to Victoria.

(2) Of the water allocated to Victoria and stored in the Menindee Lakes Storage, Victoria must cede 4,170 megalitres each month to New South Wales.

105. Tributary inflows

(1) The quantity of water which in any period enters the upper River Murray downstream of Doctors Point from a tributary, or from any artificial outfall approved by the Commission for the purposes of this clause, other than quantities referred to in clause 104, is allocated to the State from which the water enters the upper River Murray.

(2) The volume of water calculated in accordance with sub-clause 11(1) of Schedule G is allocated to New South Wales.

(3) The volume of water calculated in accordance with sub-clause 11(2) of Schedule G is allocated to Victoria.

106. Use by New South Wales and Victoria of allocated water

New South Wales and Victoria are respectively deemed to use the quantity of water--

(a) diverted from the upper River Murray by an offtake under the jurisdiction of that State, unless the Commission determines otherwise; and

(b) calculated under sub-clause 12(1) of Schedule G, in the case of New South Wales; and

(c) calculated under sub-clause 12(2) of Schedule G, in the case of Victoria.

107.

108. Losses

(1) Any water which is lost by evaporation or other means from the upper River Murray is deemed to have been used by New South Wales or Victoria.

(2) Unless otherwise determined by the Commission--

(a) losses attributable to evaporation from a major storage will be deemed to have been used in proportion to the quantities of water allocated to New South Wales or Victoria in that storage;

(b) losses attributable to an unregulated flow in any part of the upper River Murray will be deemed to have been used in proportion to the flow allocated to New South Wales or Victoria in that part of the river;

(c) all other losses will be deemed to have been used half each by New South Wales and Victoria.

(3) For the purposes of this clause an " **unregulated flow** " means a flow which has not been planned by the Commission.

109. New South Wales' and Victoria's supply to South Australia

For the purposes of this Division any water supplied in any month to South Australia which it is entitled to receive under clause 86 or 88 is deemed to be supplied half each by New South Wales and Victoria and the Commission must make appropriate adjustments to allocations between New South Wales and Victoria of water in the upper River Murray so as to give effect to those States' obligations under clause 93.

110. Commencement of continuous accounting of carryover of stored water

Half the water in each major storage on 1 December 1989 is deemed to have been allocated to New South Wales and half to Victoria.

111. Reallocation of water between New South Wales and Victoria

(1) By agreement between a Commissioner for New South Wales and a Commissioner for Victoria, any quantity of water allocated to one of those States and in store in any of the upper River Murray storages or in transit in a specified part of the upper River Murray, may be exchanged for a quantity of water allocated to the other State and in store in another of the upper River Murray storages or in transit in another specified part of the upper River Murray, if such an exchange of water does not prejudice the entitlement of South Australia.

(2) The Commission may at any time, with the consent of either New South Wales or Victoria, determine that certain quantities of water in transit in the upper River Murray are surplus to the requirements of that State and reallocate the whole or part of such quantities from that State to the other State.

112.

113. Efficient regulation of the Murray River

Any water used by either New South Wales or Victoria or supplied to South Australia by either of those States is deemed to be provided from water allocated to that State and the Commission may, as necessary to ensure the availability of appropriately allocated water at the place of such use or supply, reallocate quantities of water in the upper River Murray but must not thereby alter the total quantities of water allocated to New South Wales or Victoria respectively, in the upper River Murray.

114. Accounting procedures

Subject to clauses 110, 111, 112, 113, 115 and 120, the quantity of water in any part of the upper River Murray and which is allocated to either New South Wales or Victoria is deemed--

(a) to increase in any period by the quantity of water allocated to that State flowing into that part in that period, and

(b) to decrease in any period by any quantities of water--

- (i) used by that State by way of diversion or loss from that part in that period, or
- (ii) passed from that part in that period for--
 - downstream use by that State,
 - supply by that State to South Australia,
 - conveyance to another part of the upper River Murray as water allocated to that State, or
- (iii) released from that part in that period and determined under clause 121 to be a release of water allocated to that State, or
- (iv) spilled from that part in that period and deemed under clause 116 to be a spill of water allocated to that State.

115. Internal Spills

- (1) In any major storage, water allocated either to New South Wales or Victoria must be re-allocated to the other State to prevent the quantity of water allocated to either State in the storage exceeding half the lesser of--
 - (a) the target capacity of the storage, or
 - (b) the quantity of water stored when releases are being made for flood mitigation.
- (2) In Hume and Lake Victoria, " **target capacity** " means the capacity of the reservoir at the Full Supply Level.
- (3) In Dartmouth " **target capacity** " means the lesser of--
 - (a) the capacity of the reservoir at the Full Supply Level, or
 - (b) the quantity of water stored when water is being released through the hydro-electric power station and the storage level is above the level specified by the Commission for the operation of the power station.
- (4) In Menindee Lakes " **target capacity** " means the greater of the capacity--
 - (a) at the Full Supply Level, or
 - (b) at such higher level as may be determined from time to time by the Commission.
- (5) When water in Dartmouth Reservoir is to be re-allocated under sub-clause 115 (1) and there is capacity in Hume Reservoir available to the State from which water is to be re-allocated to store some or all of the re-allocated water, a compensating adjustment must be made in Hume Reservoir so that the accounts of the State from which the water is to be re-allocated in Dartmouth Reservoir are not thereby reduced.

116. Accounting for spill from storages

Any quantity of water spilled from any of the upper River Murray storages, including water released solely to provide space for the retention of floodwaters, is deemed to be water spilled out of the waters allocated to New South Wales or Victoria respectively, in such proportions as minimizes the re-allocation of water under sub-clause 115 (1).

117. Accounting for releases from Dartmouth Reservoir

- (1) Whenever the storage level in Dartmouth Reservoir is above the level determined for the purposes of this sub-clause by the Commission, releases made from Dartmouth Reservoir through the hydro-electric power station will be deemed to be spills and will be accounted for as provided in clause 116.
- (2) No release from Dartmouth Reservoir will be attributable to the allocation of water to New South Wales or Victoria if the quantity of water in Dartmouth Reservoir allocated to that State is less than or equal to half the minimum operating storage in the reservoir.
- (3) Releases from Dartmouth Reservoir other than those covered by sub-clauses 117 (1) and 117 (2) will be attributable to the allocation of water to New South Wales or Victoria in such proportions as tend most to equalize the quantities of water allocated to those States in Hume Reservoir.

118. Accounting for releases from Hume Reservoir

- (1) Any release made from Hume Reservoir for the deliberate purpose of transferring

water to Lake Victoria for use at a later date will be attributable to the allocation of water to New South Wales or Victoria in such proportions as tend most to equalize the quantities of water allocated to the respective States in Lake Victoria and the Menindee Lakes Storage.

(2) Releases from Hume Reservoir other than those covered by sub-clause 118 (1) will be attributable to the allocation of water to New South Wales or Victoria in such proportions as satisfy the expected downstream water requirements of each State.

119. Accounting for releases from Menindee Lakes Storage

(1) For the purposes of this clause releases from Menindee Lakes Storage consist of--

(a) water required to maintain a flow throughout the main course of the Darling River downstream of Menindee Lakes;

(b) water released to satisfy use by New South Wales in the main course of the Darling River downstream of Menindee Lakes;

(c) water released through the Lake Cawndilla Outlet Regulator;

(d) water released down the main course of the Darling River downstream of Menindee Lakes Storage to satisfy directions given by the Commission under sub-clause 95 (4);

(e) any other water released from the Menindee Lakes Storage which can be used either to supply South Australia's entitlement under clause 86 or 88 or to supply water to Lake Victoria.

(2) Whenever New South Wales is using water pursuant to sub-clause 92 (1) all release from Menindee Lakes Storage will be attributed to the allocation of water to New South Wales.

(3) Whenever sub-clause 92 (1) does not apply to the use of water by New South Wales from the Menindee Lakes Storage--

(a) releases under paragraph 119 (1) (a) will be attributed equally to the allocations of water to New South Wales and Victoria;

(b) releases under paragraph 119 (1) (b) and 119 (1) (c) will be attributed to the allocation of water to New South Wales;

(c) releases under paragraph 119 (1) (d) and 119 (1) (e) will be attributed to the respective allocations of New South Wales and Victoria in such proportions as tend most to equalize the water in Lake Victoria allocated to each State, provided that such proportions do not--

(i) cause the water allocated either to New South Wales or to Victoria to fall below 240,000 megalitres;

(ii) cause water to be re-allocated between the States under clause 115.

120. Reallocation of water in Menindee Lakes Storage

(1) At the conclusion of any period during which New South Wales is using water pursuant to sub-clause 92 (1), the quantities of water stored in the Menindee Lakes Storage and allocated respectively to New South Wales and Victoria must be adjusted so that the difference between those quantities is the same as the difference in the allocated quantities at the beginning of that period.

121. Accounting for dilution flows

(1) Whenever the Commission directs under clause 95 that the flow of water is to exceed the water order at a particular point, unless the Commission determines otherwise, the proportion of the water order attributed respectively to New South Wales and Victoria must be increased by such amounts as tend most to equalise the respective allocations to New South Wales and Victoria of the total flow at that point.

(2) For the purpose of this clause the " **water order** " is the flow of water at a particular point which is necessary--

(a) to meet diversions by New South Wales and Victoria, losses and dilution flows downstream of that point;

- (b) to meet South Australia's entitlement; and
- (c) to supply storages downstream of that point.

DIVISION 4 – PERIODS OF SPECIAL ACCOUNTING

122. Declaration of periods of special accounting

- (1) Unless the Commission is satisfied that the reserve allocated to either New South Wales or Victoria at the end of the following May will be greater than 1,250,000 megalitres, the Commission must declare a period of special accounting between that State and South Australia.
- (2) A period of special accounting--
 - (a) may be declared at any time after the end of July in any year and before the end of May in the following year;
 - (b) unless the Commission decides otherwise, will be deemed to have commenced on 1 August in that year, whenever it is in fact declared.

(3)

123. Variation of navigation depths during restrictions

The Commission may vary the depth of water to be maintained immediately downstream of a lock under sub-paragraph 62 (1) (b) (i), during any period of special accounting.

124. Special Accounts to be kept

Throughout any period of special accounting declared for New South Wales or Victoria, separate accounts must be kept by the Commission of--

- (a) all water diverted from the upper River Murray by the State;
 - (b) the difference between--
 - (i) the sum of all water entering the Upper River Murray downstream of Doctors Point from--
 - â€¢ any tributary within that State other than the River Darling, and
 - â€¢ any artificial outfall from that State approved by the Commission for the purposes of clause 105;
 - and
 - (ii) any water allocated to that State which flows to South Australia in excess of South Australia's entitlement under clause 86 or 88.
- If (ii) exceeds (i), the account kept under this paragraph must be set at zero;
- (c) all water allocated to that State which is supplied by it to meet South Australia's entitlement under paragraph 86 (a).

125. Imbalance in use

The imbalance in use between either New South Wales or Victoria and South Australia in a period of special accounting is to be calculated as follows--

One-third of the amount calculated under paragraph 124 (a)
less

One-third of the amount calculated under paragraph 124 (b)
less

Two-thirds of the amount calculated under paragraph 124 (c).

126. Limits on imbalance in use

On May 31 in any period of special accounting, the accounts kept under clause 108 must be adjusted by the Commission to ensure that the imbalance in use calculated under clause 125 is--

- (a) less than one-third, and
- (b) greater than minus two-thirds,

of the difference between 1,250,000 megalitres and the reserve allocated to New South Wales or Victoria, as the case may require.

127. Restrictions on South Australia's entitlement

- (1) In a period of special accounting, instead of the amounts set out in paragraph 86 (a), South Australia is entitled to receive, before the end of the following May, the lesser of--
- (a) the sum of the monthly quantities set out in paragraph 86 (a); and
 - (b) the sum of--
 - (i) one-third of the available water determined under paragraph 99 (c), and
 - (ii) any imbalance in use calculated under clause 125.
- (2) South Australia may decide how to apportion any entitlement under sub-clause 127 (1) between each month provided that the quantity in any month must not exceed that specified in paragraph 86 (a).

128. Termination of periods of special accounting

- (1) The Commission must terminate a period of special accounting declared for New South Wales or Victoria whenever it is satisfied that the reserve allocated to that State at the end of the following May will be greater than 1,250,000 megalitres.

PART XI – MENINDEE LAKES STORAGE

129. Maintenance of Menindee Lakes Storage

New South Wales must maintain the Menindee Lakes Storage and associated works in the good order and condition necessary to meet the full supply levels and storage capacities referred to in clause 130.

130. Full supply levels

For the purposes of this Agreement, and unless otherwise agreed between the Department of Water Resources of New South Wales and the Commission by the exchange of letters between them, the full supply levels of the Menindee Lakes Storage will be--

Lake Wetherell--Elevation 61.7 Australian Height Datum,
Lake Pamamaroo--Elevation 60.4 Australian Height Datum,
Lake Menindee--Elevation 59.8 Australian Height Datum,
Lake Cawndilla--Elevation 59.8 Australian Height Datum,
corresponding to a total storage capacity of approximately 1 680 000 megalitres.

131. Financial contributions of Commission

Each year the Commission must pay New South Wales--

- (a) \$320,000 in equal instalments at the end of each quarter, and
- (b) three quarters of the costs of operating and maintaining the Menindee Lakes Storage, or such other amounts as may be determined by the Commission from time to time.

PART XII – EFFECT OF SNOWY SCHEME

132. Reconciliation with Snowy Mountains Agreement

The Commission must determine the respective allocations to New South Wales and Victoria of water made available from the Snowy Scheme for the purposes of this Agreement, in the manner set out in Schedule G.

PART XIII – MISCELLANEOUS

133. Resolution of disputes

- (1) If the Commission fails to agree on any motion submitted by a Commissioner within two months, that Commissioner may refer the matter to the Ministerial Council.
- (2) If the Ministerial Council fails to resolve the matter within six months, any member may refer it to an arbitrator.
- (3) When a matter is referred to an arbitrator, any Contracting Government may give the other Contracting Governments written notice to agree to appoint an arbitrator to decide the matter.
- (4) If an arbitrator is not appointed within two months of notice being given, the Chief Justice of the Supreme Court of Tasmania, or the person acting in that office, may appoint an arbitrator at the request of the Contracting Government giving notice under sub-clause 133 (3).
- (5) The decision of any arbitrator appointed under this clause--
 - (a) is deemed to be the decision of the Commission;
 - (b) binds the Commission, the Ministerial Council and the Contracting Governments.
- (6) This clause does not apply to a resolution--
 - (a) on a question of law;
 - (b) before the Commission under clause 135; or
 - (c) which has been decided by a majority vote of the Commission or the casting vote of the chairman pursuant to a provision of this Agreement.

134. Accession by new parties

- (1) Any State of the Commonwealth may become a party to this Agreement--
 - (a) with the consent of the existing parties; and
 - (b) on such terms and conditions as may be prescribed by the existing parties in a Schedule to this Agreement.
- (2) Without limiting the generality of paragraph 134 (1) (b), the terms and conditions prescribed may include provision for--
 - (a) those Parts or provisions of the Agreement or its Schedules which apply to any new party and those which do not;
 - (b) any qualification to any provision of the Agreement or its Schedules which applies to any new party;
 - (c) the number, appointment, functions, powers, duties and voting rights of representatives (if any) of any new party on the Ministerial Council or the Commission;
 - (d) the financial contributions to be made by any new party for the purposes of this Agreement.
- (3) The Ministerial Council may approve any Schedule prepared pursuant to paragraph 134 (1) (b).
- (4) When a Schedule is approved by the Ministerial Council under sub-clause 134 (3) it thereupon becomes part of the Agreement, which is deemed to have been amended accordingly.
- (5) This Agreement will not apply to any new State party until--
 - (a) a copy of the Agreement incorporating the Schedule provided for in sub-clause 134 (1) has been signed on behalf of that State;
 - (b) the Government of that State has notified each existing Contracting Government of that signature and its date;
 - (c) the Parliament of that State has approved this Agreement, including the Schedule provided for in sub-clause 134 (1).
- (6) Any Schedule approved by the Ministerial Council under sub-clause 134 (3) must be laid before the House or Houses of Parliament of each of the parties to this Agreement within 15 sitting days of that House after the Ministerial Council has approved that

Schedule.

(7) A Schedule which is not laid before the House or Houses of Parliament of each of the parties in accordance with sub-clause 134 (6) is void and has no effect.

(8) If any House of Parliament of any of the parties, pursuant to a motion of which notice has been given within 15 sitting days after a Schedule has been laid before that House, passes a resolution disallowing that Schedule, the Schedule thereupon ceases to have effect.

(9) If, at the expiration of 15 sitting days after notice of a motion to disallow any Schedule has been given in a House of Parliament of any of the parties in the manner envisaged by sub-clause 134 (8)--

(a) the notice has not been withdrawn and the motion has not been called on; or

(b) the motion has been called on, moved and seconded and has not been withdrawn or otherwise disposed of,

the Schedule is to be deemed to have been disallowed.

(10) Where any Schedule--

(a) is disallowed, deemed to have been disallowed or is void by virtue of the provisions of this clause; and

(b) the Schedule purported to amend any provision of the Agreement, the disallowance of the Schedule or the operation of sub-clause 134 (7), as the case may be, has the effect of reviving that other provision of the Agreement from the date on which the Schedule is disallowed, deemed to have been disallowed or becomes void.

(11) For the purposes of this clause and any reference to this clause in this Agreement--"State" includes "Territory"; "Governor" includes the Australian Capital Territory Executive.

135. Proposals to amend Agreement

(1) The Commission must review this Agreement from time to time and may recommend any amendments it thinks necessary or desirable to the Ministerial Council.

136. Giving information to the Commission

Each Contracting Government must give all the information it can to the Commission for the purposes of this Agreement, whenever the Commission requests it.

137. Authorities to observe agreement

Each Contracting Government must ensure that any public authority which exercises functions under this Agreement, observes its provisions.

138. Transitional provisions

(1) In this clause--"commencing day" means the day on which this Agreement comes into effect;"current financial year" means the financial year during which this Agreement comes into effect;"next financial year" means the financial year following the current financial year.

(2) Acts or things consistent with this Agreement done by or on behalf of a Contracting Government or the Commission in anticipation of this Agreement are deemed to have been done under and in accordance with its provisions.

(3) Without limiting the generality of sub-clause 138 (2)--

(a) any estimates for the current financial year sent by the Commission to the Contracting Governments before the commencing day are deemed to be estimates sent in respect of that year;

(b) any money paid by a Contracting Government to the Commission before the commencing day are deemed to have been paid under clause 69 for the current financial year;

(c) any money spent by the Commission before the commencing day in accordance with estimates referred to in paragraph 138 (3) (a) are deemed to have

been spent pursuant to the Agreement for the current financial year;

(d) if the commencing day falls between 31 March and 30 June in any year, any estimates sent by the Commission to the Contracting Governments before that day for the next financial year are deemed to be estimates for that next financial year.

(4) Clause 80 applies to any interest received by the Commission on fixed deposit in the current financial year.

(5) Money of a kind referred to in clause 81 and 82 paid by a Contracting Government in the current financial year is deemed to have been paid under those clauses.

(6) The Ministerial Council must determine any other transitional arrangements.

SCHEDULE A WORKS

Description of Works	Location	Nominated Government
DARTMOUTH DAM with a capacity of approximately 4 000 000 megalitres.	Mitta Mitta River upstream of the town of Dartmouth, north-eastern Victoria.	Victoria
HUME DAM with a capacity of approximately 3 038 000 megalitres.	River Murray upstream of the city of Albury, New South Wales.	New South Wales and Victoria, jointly.
LAKE VICTORIA WORKS --regulation reservoir with a storage capacity of approximately 700 000 megalitres.	Lake Victoria, New South Wales connected with main stream of River Murray by Rufus River and Frenchman's Creek	South Australia.
YARRAWONGA WEIR --storage of about 120 000 megalitres	River Murray near the town of Yarrawonga, Victoria	Victoria.
WEIR AND LOCKS: Construction of thirteen weirs and locks in the course of the River Murray from its mouth to Echuca, namely:	River distance from Murray mouth in kilometres	Victoria
No. 1 Blanchetown	274	South Australia
No. 2 Waikaerie	362	South Australia
No. 3 Overland Corner	431	South Australia
No. 4 Bookpurnon	516	South Australia
No. 5 Renmark	562	South Australia
No. 6 Murtho	620	South Australia
No. 7 Rufus River	697	South Australia
No. 8 Wangumma	726	South Australia
No. 9 Kulnine	765	South Australia
No. 10 Wentworth	825	New South Wales
No. 11 Mildura	878	Victoria

No. 15 Euston	1 110	New South Wales
No. 26 Torrumbarry	1 368	Victoria
WEIRS		
Construction of two weirs in the course of the Murrumbidgee River from its junction with the River Murray to Hay, namely:	River distance upstream from the Junction with the River Murray in kilometres.	
No. 5 Redbank	193	New South Wales
No. 7 Maude	290	New South Wales
MURRAY MOUTH BARRAGES:		
Goolwa	Goolwa Channel	South Australia
Mundoo	Mundoo Channel	South Australia
Boundary	Boundary Creek Channel	South Australia
Ewe Island	Ewe Island Channel	South Australia
Tauwitchere	Tauwitchere Island	South Australia

SCHEDULE B MURRAY-DARLING BASIN

graphic

[Note: This is a graphic. It has not been processed by the Point in Time system and may not be accurate at the selected working date.]

SCHEDULE C SALINITY AND DRAINAGE STRATEGY

PART I – INTERPRETATION

1. Purpose

The purposes of this Schedule are--

- (a) to promote works and measures by the Contracting Governments to reduce average salinity in the River Murray at Morgan.
- (b) to ensure that actions taken under the Agreement do not have a cumulative effect of increasing River Murray salinity.
- (c) to provide for assessment of the potential and actual impact of works and measures in terms of their salinity effects.
- (d) to provide a system of salinity credits and debits to allow a State Contracting Government, which has contributed to the cost of works or measures decreasing average salinity costs, to construct works or implement measures which increase average salinity costs within agreed limits.
- (e) to provide for monitoring of effects of works and measures on River Murray Salinity and the consequential adjustment of salinity credits or debits.

2. Definitions

In this Schedule save where inconsistent with the context--

" **average salinity** " means the average salinity of the River Murray calculated in accordance with procedures determined by the Commission from time to time.

" **average salinity costs** " means the average costs to users of water from the River Murray incurred because of the salinity of the water used, as calculated in accordance with procedures determined by the Commission from time to time.

" **joint proposal** " means a proposal for works or measures which are approved for the purposes of this Schedule under clause 50 and " **joint works or measures** " has a corresponding meaning.

" **prospective credit** " or " **debit** " is the estimated value of that credit or debit, as determined from time to time, to apply at the declared effective date.

" **register** " means the Register provided for in sub-clause 3 (4) of this Schedule.

" **salinity cost effect** " means the increase in average salinity costs resulting from any proposal, work or measure.

" **salinity credit** " means the reduction in average salinity costs resulting from any work or measure attributed to a State Contracting Government pursuant to Part III of this Schedule.

" **salinity debit** " means the increase in average salinity costs resulting from any work or measure attributed to a State Contracting Government pursuant to Part III of this Schedule.

" **salinity effect** " means the increase in the average salinity at Morgan resulting from any proposal, work or measure.

" **significant effect** " means a significant effect on average salinity at Morgan determined pursuant to sub-clause 3 (3) of this Schedule.

" **State proposal** " means a proposal for works or measures, other than joint works or measures, to be constructed or implemented by a State Contracting Government for the purposes of this Schedule, and " **State works or measures** " has a corresponding meaning.

PART II – APPROVAL AND EXECUTION OF WORKS AND MEASURES

3. Advice of proposals which may have a significant effect

(1) Sub-clause 46 (1) applies to all proposals for works or measures which may have a significant effect.

(2) If a Contracting Government notifies the Commission of a proposal under sub-clause 3 (1) of this Schedule, the Commission must investigate the proposal and decide whether or not it is likely to have a significant effect.

(3) The following will be deemed to have a significant effect--

(a) all proposals for works or measures which, alone or, where the Commission so determines, in combination with other works or measures nominated by the Commission, may result in an alteration of not less than 0.1 EC in the average salinity at Morgan.

(b) any other proposals for works or measures which may result in an alteration of less than 0.1 EC in the average salinity at Morgan which the Commission decides may have a significant effect.

(4) If the Commission decides that a proposal is likely to have a significant effect, it must--

- (a) provisionally designate the proposal as a joint or State proposal;
- (b) enter the proposal in a Register; and
- (c) carry out an assessment as required by clause 7 of this Schedule.

4. Other Works constructed or measures implemented after 1 January 1988

If the Commission decides that a work constructed or a measure implemented after 1 January 1988, which has not previously been entered in the Register, has a significant effect, it may--

- (a) designate that work or measure to be either a joint or State work or measure;
- (b) determine the salinity effect and salinity cost effect of the work or measure and enter them in the Register.

5. Increase in salinity effect of constructed drains as a result of works constructed or measures implemented before 1 January 1988

Any increase in the salinity cost effect of a drain--

- (a) constructed since 1 January 1988; or
- (b) affected by any works or change to the management of the water regime since 1 January 1988,

will be attributed to the State in which the drain is situated.

6. Provision of information

(1) Sub-clauses 50 (5), 52 (1), 52 (2) and 52 (3) apply to joint proposals included in the Register.

(2) Sufficient information must be supplied by a Contracting Government in regard to all State proposals included in the Register to enable the Commission to assess the salinity effects of such proposals for the purposes of this Schedule.

(3) For the purpose of sub-clause 42 (2), the State Contracting Government in whose territory a prospective joint proposal would be executed is to be deemed to have consented to the Commission carrying out such surveys, investigations or studies of the desirability, practicability or probable effects of the proposal as the Commission may determine.

7. Commission to evaluate designs and determine salinity costs effects

If the Commission is satisfied with the data, methodology, result of feasibility studies, and preliminary designs of any proposal entered in the Register, the Commission--

- (a) must determine the prospective salinity effect and prospective salinity cost effect of that proposal and enter them in the Register; and
- (b) may, subject to clause 50, authorise the construction or implementation of any joint proposal.

8. Attribution of salinity credits and salinity debits

(1) When any work or measure that reduces average salinity costs--

- (a) is declared effective under clause 58; or
- (b) if the work or measure is completed in stages, when each stage is declared effective,

the Commission must attribute salinity credits arising from that work, measure or stage to State Contracting Governments in accordance with Part III of this Schedule and enter those salinity credits in the Register.

(2) Before any work or measure which may increase average salinity costs--

- (a) is commenced; or
- (b) if the work or measure is to be implemented in stages, before each stage is commenced,

the Commission must attribute salinity debits arising from that work, measure or stage to a State Contracting Government in accordance with Part III of this Schedule and enter those salinity debits in the Register.

9. Review of effects of a proposal

- (1) The Commission may, at any time--
 - (a) decide that a joint proposal should become a State proposal;
 - (b) delete a proposal from the Register.
- (2) The Commission may, at any time before a proposal is declared effective pursuant to clause 58, re-estimate its salinity effect and salinity cost effect and enter the revised effects in the Register.

10. Initial Program

Subject to clause 50, the State Contracting Governments must implement an initial program of cost effective joint works or measures to reduce average salinity at Morgan by 80 E.C.

11. State proposals which increase average salinity costs only to be executed within available salinity credits

- (1) A Contracting Government must not, and must ensure that any public authority responsible to it does not--
 - (a) construct any works or implement any measures; or
 - (b) permit any works to be constructed or any measures to be implemented, which may increase average salinity costs, except in accordance with this Schedule.
- (2) A Contracting Government must not--
 - (a) construct any works or implement any measures; or
 - (b) permit any works to be constructed or any measures to be implemented, which may have a significant effect unless the total prospective salinity debits attributable to that Government and entered in the Register resulting from--
 - (i) both those works and measures, together with,
 - (ii) works or measures within the territory of that Contracting Government already undertaken under this Schedule,are less than, or equal to--
 - (c) the total accumulated salinity credits attributed to that Government from works or measures already declared effective; or
 - (d) the total prospective salinity credits attributable to that State from all works and measures on the Register, including those not yet declared effective, if the Commission so agrees.
- (3) A State Contracting Government will not proceed with State works or measures under paragraph 11 (2) (b) of this Schedule if the combined salinity cost effect of those works or measures and all other works or measures undertaken under this Schedule and entered in the Register would result in an increase in average salinity costs.

12. Monitoring of works and measures

- (1) A Contracting Government nominated under clause 50 (5) in respect of works or measures must submit a proposed program for monitoring their salinity effects to the Commission.
- (2) The Commission may approve a proposed monitoring program, with or without amendment, or may refer it for amendment to the Contracting Government submitting it.
- (3) The Commission may, from time to time, determine procedures for monitoring works or measures approved for the purposes of this Schedule.
- (4) The Commission may, from time to time, give directions to ensure the efficient monitoring of any works or measures operated or implemented under this Schedule.

PART III – ASSESSMENT AND APPORTIONMENT OF SALINITY EFFECTS

13. Assessment techniques

The salinity cost effects of any proposal, work or measure must be calculated by using the simulation techniques and benchmark conditions adopted by the Commission from time to time.

14. Determination of Salinity Credits for initial joint works or measures

(1) The salinity credits to be attributed to New South Wales and Victoria in respect of any joint works or measures in the initial program referred to in clause 10 of this Schedule which are declared effective under clause 58 shall be calculated as follows--
graphic

[Note: This is a graphic. It has not been processed by the Point in Time system and may not be accurate at the selected working date.]

"E"	=	The salinity cost effects of the works or measures.
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(2) Salinity credits generated under this clause will not be attributed to a State Contracting Government unless that Government has paid all sums thus far required to be paid by it for the initial program of joint works or measures.

15. Determination of Salinity Credits or Debits for other works or measures

(1) The salinity credits to be attributed respectively to New South Wales, Victoria or South Australia in respect of any other joint or State works or measures included in the Register which are declared effective in accordance with clause 58 shall be calculated as follows--
graphic

[Note: This is a graphic. It has not been processed by the Point in Time system and may not be accurate at the selected working date.]

"S"	=	The amount contributed by that State to the cost of investigating, designing and constructing the works or implementing the measures plus the amount committed by that State to the estimated costs of operating, maintaining and monitoring the effects of those works or measures throughout their effective life.
"T"	=	the total amount contributed by all States to the costs of investigating, designing, and constructing the works or implementing the measures plus the total amount committed by all States to the estimated costs of operating, maintaining and monitoring the effects of those works or measures throughout their effective life.
"E"	=	the total salinity cost effects of the works or measures.

(2) For the purpose of sub-clause 15 (1) of this Schedule, the Commission must estimate the costs of operating, maintaining and monitoring the effects of those works or measures throughout their effective life.

(3) The salinity debits to be attributed respectively to New South Wales, Victoria or South Australia in respect of works or measures subject to this clause are the total of the salinity cost effects of those works or measures which have been entered in the Register.

16. Review of salinity cost effects

At intervals of not more than five years, or such other period as may be determined by the Commission, the salinity cost effects of all works or measures declared to be effective for the purposes of this Schedule must be calculated, in the light of data produced by the monitoring program for those works or measures and any other relevant data.

17. Revision of salinity credits or debits

Whenever the salinity cost effects of any works or measures are altered pursuant to sub-clause 9 (2) or clause 16 of this Schedule, the Commission must revise the salinity credits or salinity debits in respect of those works as provided in clauses 14 or 15 of this Schedule as appropriate, and amend the Register accordingly.

PART IV – FINANCE

18. Apportionment of costs of joint works and measures

The provisions of sub-clause 65 (1) and paragraphs 65 (2) (f) and (i) and 65 (3) (d) apply to all joint works and measures authorised pursuant to this Schedule.

19. Apportionment of costs of State works and measures

Subject to sub-clause 20 (3) of this Schedule, the Contracting Government nominated under sub-clause 50 (5) for any State work or measure must arrange to meet the cost of investigating, designing, constructing, operating, maintaining and monitoring that work or measure.

20. Sharing costs and trading salinity credits

(1) Any two or more State Contracting Governments may at any time by agreement assign any or all of the salinity credits or salinity debits attributed in the Register to a State Contracting Government in respect of a work or measure to another State Contracting Government, on such terms as the parties determine.

(2) When the parties to any such agreement advise the Commission in writing as to its effect, the Commission must attribute the salinity credits or salinity debits in respect of that work or measure in accordance with the effect of that agreement and must amend the Register accordingly.

(3) Any such agreement may alter the manner in which the costs referred to in clauses 18 or 19 of this Schedule are to be apportioned between the parties to that agreement.

SCHEDULE D APPLICATION OF AGREEMENT TO QUEENSLAND

1. Queensland to be a Contracting Party

The State of Queensland shall become a party to the Agreement on the terms set out in this Schedule.

2. Application of Agreement to Queensland

The provisions of the Agreement apply to the State of Queensland except--

- (a) for those provisions declared not to apply by this Schedule; and
- (b) to the extent that provisions are modified by this Schedule; and
- (c) where the Ministerial Council or the Commission determines that a provision does not apply pursuant to clause 4.

3. Provisions not applying to Queensland

(1) Parts X, XI and XII of the Agreement do not apply to the State of Queensland.

(1A) Sub-clauses 38(1) and 38(3) of the Agreement only apply to the State of Queensland in respect of an act, omission or loss incurred, in relation to the bona fide execution of powers--

(a) in or related to the State of Queensland; or

(b) under a provision of the Agreement as it applies to the State of Queensland.

(2) Schedule C of the Agreement does not apply to the State of Queensland unless and

until the Ministerial Council decides otherwise.

(3) Insofar as any provision of the Agreement bears on a matter set out in clause 3 (4), that provision does not apply to the State of Queensland.

(4) Clause 3 (3) applies to--

(a) any issue concerning the design, execution, construction, funding, operation, maintenance, alteration or replacement of any works, measures, policies or strategies solely associated with the management of the upper River Murray and the River Murray in South Australia.

(b) any liability of the Commission, any Commissioner or Deputy Commissioner, any officer of the Commission, any Contracting Government or any Constructing Authority in respect of:

(i) any matter referred to in clause 3 (4) (a); or

(ii) any matter arising under a provision of the Agreement which the Ministerial Council or Commission has determined does not apply to the State of Queensland under clause 4.

(5) Nothing in the Agreement requires the State of Queensland--

(a) to contribute to the costs of, or associated with, remedying any actual or anticipated damage referred to in paragraph 51(1)(c) of the Agreement; or

(b) to meet any compensation for damage paid under clause 83 of the Agreement, except where the State of Queensland has contributed to the construction, maintenance or operation expenses of the works to which the costs or compensation relate.

4. Powers of Ministerial Council and Commission to make Determinations

(1) The Ministerial Council or the Commission, as the case may be, may--

(a) determine that a provision of the Agreement does not apply to the State of Queensland, either generally or in relation to a particular matter or class of matters; and

(b) revoke any such determination made by it.

(2) The Ministerial Council may, at any time, direct that any determination made by the Commission under sub-clause 4 (1) is to be deemed to have been--

(a) revoked; or

(b) altered in any way directed by the Ministerial Council.

(3) The Commission must give effect to any determination made by the Ministerial Council under sub-clause 4 (1).

5. Factors to be considered by Ministerial Council or Commission

(1) In making a determination under sub-clause 4 (1) (a), the Ministerial Council or the Commission must apply the guidelines set out in this clause, unless the Ministerial Council or the Commission, as the case may be, determines otherwise.

(2) A provision should apply to the State of Queensland if--

(a) issues arising under that provision are likely to cause a significant benefit or a significant detriment to Queensland;

(b) any decisions or actions taken within Queensland without reference to that provision might cause significant benefit or significant detriment to any part of the Murray-Darling Basin within Queensland;

(c) the Government of Queensland has incurred or may incur any financial obligation as a result of that provision.

(3) A provision should not apply to the State of Queensland if issues arising under that provision are only likely to concern that portion of the Murray-Darling Basin delineated in red in the plan comprising the Annexure to this Schedule.

6. Quorum where provisions do not apply to Queensland

(1) The quorum of the Ministerial Council for--

(a) debating any issue; or

(b) considering or making any resolution on an issue,

related to any provision which does not apply, in whole or in part, to Queensland by virtue of this Schedule does not include any Minister from the Government of Queensland.

(2) The text of any resolution relating to such an issue and for which approval is sought under clause 13 of the Agreement need not be referred to or approved by any Minister from the Government of Queensland.

(3) The quorum of the Commission for--

(a) debating any issue; or

(b) considering or making any resolution on an issue,

related to any provision which does not apply, in whole or in part, to Queensland by virtue of this Schedule does not include any Commissioner from the State of Queensland.

(4) The text of any resolution relating to such an issue and for which approval is sought under clause 33 of the Agreement need not be referred to or approved by any Commissioner from the State of Queensland before the resolution is made.

7. Application of previous Ministerial Council decisions to Queensland

(1) The Ministerial Council may affirm that any policy, determination or decision of the Ministerial Council applies to the State of Queensland.

(2) Any such policy, determination or decision shall apply to the State of Queensland in whole or in part, or with such modification, as the Ministerial Council decides.

(3) This clause applies only to policies, determinations or decisions made by the Ministerial Council between 27 August 1986 and the first meeting of the Ministerial Council after this Schedule comes into force.

(4) Any policy, determination or decision referred to in clause 7 (3) which is not affirmed by the Ministerial Council under clause 7 (1) does not apply to Queensland.

Annexure to Schedule D of Murray-Darling Basin Agreement graphic

[Note: This is a graphic. It has not been processed by the Point in Time system and may not be accurate at the selected working date.]

The portion referred to in sub-clause 5 (3) of Schedule D is shown edged heavy black.

SCHEDULE E INTERSTATE TRANSFER OF WATER ALLOCATIONS

PART 1 – PRELIMINARY

1. Objects of Schedule

The objects of this Schedule are as follows--

(a) to facilitate and promote the interstate transfer of water allocations co-ordinated by the Commission;

(b) to provide for the Scheme to be implemented on a trial basis in that it will initially only apply to specific water diverters and high security water allocations and to a restricted part of the Mallee region;

(c) to improve the efficiency and effectiveness of consumptive water use in ways which facilitate environmental sustainability but which do not increase or accelerate environmental degradation;

(d) to establish a procedural framework and set of standards so that the Scheme is accountable and does not result in increased levels of salinity, reductions in environmental flows or degradation of the natural environment;

- (e) to provide for the suspension of the operation of this Schedule if there is an increase in, or acceleration of, environmental degradation from the use or management of water that has been diverted interstate in accordance with the Scheme;
- (f) to give effect to water trading arrangements in accordance with the terms of the Ministerial Council's decision regarding the long-term level for off-stream diversions in the Murray-Darling Basin;
- (g) to enable the Commission to adjust the quantity of water to be delivered to the States as a result of the Scheme.

2. Definitions

- (1) In this Schedule--" means the exchange rates determined by the Commission in accordance with clause 7 of this Schedule;" means the scheme for the interstate transfer of water allocations established under this Schedule;" , in relation to a water allocation, means the State to which the water allocation is transferred;" , in relation to a water allocation, means the State from which the water allocation is transferred;" means the register required to be kept by the Commission under clause 17 of this Schedule;" means a privately held statutory entitlement to divert water on a river system in the Murray-Darling Basin.
- (2) A reference in this Schedule to a " is a reference to the total volume of water permitted to be diverted within the Murray-Darling Basin in line with the Ministerial Council's decision to limit diversions to 1993-94 levels of development.

3. Application of Schedule

- (1) This Schedule applies to water allocations--
 - (a) that are supplied from the River Murray between Nyah and the barrages; or
 - (b) that are River Murray licences supplied from the Lock 10 weir pool.
- (2) This Schedule applies to the following types of water allocations--
 - (a) private statutory entitlements to divert water for use by the holder of the statutory entitlement concerned;
 - (b) high security water allocations, being water allocations described--
 - (i) in New South Wales as private high security licences; or
 - (ii) in South Australia as water licences granted under the *Water Resources Act 1997*; or
 - (iii) in Victoria as private diversion licences.
- (3) This Schedule applies to and in respect of that part of a water allocation that is proposed to be transferred permanently, that is, a transaction where the rights of the seller in relation to the part of the water allocation to be transferred are cancelled when the transaction is concluded. The part of a water allocation that is proposed to be transferred may include the whole of the water allocation if the seller is proposing to transfer the whole of the water allocation.
- (4) This Schedule does not apply to temporary transfers of water allocations.
- (5) Any water allocation that comprises a statutory entitlement to a bulk supply of water for the purpose of on-supply through reticulated systems to users other than the holder of the statutory entitlement (for example, to irrigation districts) may not be transferred under this Schedule.

4. Suspension of Schedule

- (1) A State Contracting Government may from time to time, after consultation with the Ministerial Council, suspend or limit the operation of this Schedule in that State on the grounds that the State Contracting Government considers that--
 - (a) there has been an increase or acceleration of environmental degradation resulting from the use or management of water diverted pursuant to the transferred water allocations; or
 - (b) inadequate progress has been made by any one of the States involved in the Scheme in achieving full cost recovery water pricing.

(2) The Ministerial Council may, from time to time, resolve to suspend or limit the operation of this Schedule--

(a) if a Contracting Government fails to provide a report to the Commission in accordance with clause 18 of this Schedule; or

(b) for such reasons, or on such other grounds, as the Ministerial Council thinks fit.

(3) Any resolution under sub-clause (2) operates to suspend or limit the operation of this Schedule according to the terms of the resolution.

PART II – GENERAL OPERATIONAL PROVISIONS

5. Adjustment of delivery of State entitlements under Part X of the Agreement

(1) The delivery of water pursuant to each State's entitlement under Part X of the Agreement, and the water accounting provisions under that Part, may be adjusted by the Commission in order to take into account, and to give effect to, the Scheme.

(2) Water deliveries to South Australia are to be increased by a volume equal to the adjusted net balance of water allocation transfers into that State as recorded in the transfer register at the end of each financial year.

(3) The supply of water by New South Wales and Victoria to South Australia under clause 93 of the Agreement is to be increased in each case by a volume equal to the adjusted net balance of water allocation transfers into South Australia from the State concerned as recorded in the transfer register at the end of each financial year.

(4) The delivery of water in Hume Reservoir to New South Wales is to be increased by the adjusted net balance of water allocation transfers from Victoria to New South Wales as recorded in the transfer register at the end of each financial year, and the delivery of water in Hume Reservoir to Victoria is to be decreased by that same amount. In accordance with sub-clause (8), a transfer from New South Wales to Victoria would equal a negative net balance of water allocation transfers from New South Wales to Victoria.

(5) During any special period of accounting declared by the Commission (referred to as "Special Account"), the Special Accounts of State diversions under paragraph 124 (a) of the Agreement are to be decreased by a volume equal to the adjusted net balance of water allocation transfers into the State concerned as recorded in the transfer register.

(6) The Special Account of water supplied to meet the entitlement of South Australia under paragraph 124 (c) of the Agreement is to be decreased by a volume equal to the adjusted net balance of water allocation transfers into South Australia from the State concerned as recorded in the transfer register.

(7) Adjustments under sub-clauses (2)-(6) are to be made in equal amounts in the months of September to April inclusive. If South Australia's entitlement is restricted at any time in accordance with clause 127 of the Agreement, those restrictions (that is, the same percentage reductions) are to apply in relation to the adjustments.

(8) For the purposes of this clause, the "adjusted net balance" is the net balance of water allocation transfers following adjustment by the application of the appropriate exchange rates. Any such adjusted net balance may be a positive amount or a negative amount.

6. Adjustment of water cap

(1) The water cap in respect of each Contracting Government is to be adjusted by the Commission--

(a) to maintain the integrity of the overall water cap for the Murray-Darling Basin; and

(b) to reflect the water allocations that have been transferred interstate under the Scheme.

(2) The water cap in respect of the State of origin is to be lowered, and the water cap in respect of the State of destination is to be correspondingly raised, to ensure that the total

level of off-stream diversions remains within the total of the respective water caps of the States.

(3) For the purposes of adjusting the water cap in respect of a particular State, a water allocation that is transferred interstate under the Scheme--

(a) is taken to have been fully used (or by such lesser proportion as may be determined by the Commission) in the State of origin; and

(b) is taken to have been transferred for full use (or by such lesser proportion as may be determined by the Commission) in the State of destination.

7. Exchange rates

(1) The Commission is to determine exchange rates for the purposes of the Scheme.

(2) The exchange rates are set out in the document called "*Exchange Rates for the Inter-State Transfer of Water Entitlements in the Mallee Region*" issued by the Commission.

(3) The object of exchange rates is to limit the impact that any particular transfer made in accordance with the Scheme might have on other water users.

(4) The exchange rates are to take into account--

(a) losses through transmission in the river channel; and

(b) losses through changes in the level of security for the supply of water, resulting from the operation of the Scheme.

(5) The Commission may vary the exchange rates from time to time.

(6) Water allocations that are transferred interstate under the Scheme--

(a) are subject to any adjustment by the Commission at the time of the transfer so as to give effect to any losses identified under the exchange rates; and

(b) are not to be increased so as to give effect to any gains identified under the exchange rates.

(7) Any such gains are to be set aside by the Commission for environmental purposes. The Commission is to establish an account in respect of these gains.

(8) A State of origin may also determine exchange rates for the purposes of adjusting the volume of water in respect of a statutory entitlement in order to reflect the amount of water that has been used under the entitlement.

8. Charges

(1) The Council may, after considering any recommendation by the Commission, adjust the share of contributions due by each State under Part VII of the Agreement (referred to as "") in proportion with any variation in the delivery of water under State entitlements that has resulted from the operation of the Scheme.

(2) Adjustments to Part VII charges are--

(a) to be determined annually in accordance with the water pricing principles approved by the Commission from time to time; and

(b) to take into account any variation in the delivery or allocation of water under State entitlements from the beginning of the Scheme.

(3) Once the Commission has made an adjustment of any Part VII charges in accordance with this clause, any charges imposed by the State of origin which had been applicable to a water allocation transferred interstate cease to be recoverable by that State.

(4) Subject to the laws of the State of destination, that State may recover from the recipient of the transferred water allocation the additional Part VII charges resulting from the transfer, together with such other charges as may be recoverable from the holders of other similar private statutory entitlements to take water in the State of destination.

9. Salinity and drainage strategy

(1) The operation of the Scheme is subject to the requirements of Schedule C to the Agreement.

(2) Any salinity debits or credits arising from the dilution effects brought about by water allocation transfers to or from South Australia are to be assigned at the end of each

financial year under Schedule C to the upstream State involved in the transfer concerned.

(3) Any salinity debits or credits arising from the dilution effects brought about by water allocation transfers between New South Wales and Victoria are to be shared equally by those two States.

(4) Any salinity debits or credits arising from changes to salt accessions brought about by the operation of the Scheme are--

(a) to be assigned in New South Wales and Victoria to the State in which the change occurs; and

(b) to be treated as a requirement in South Australia for zero impact on salinity.

10. Environmental and supply considerations

(1) The licensing authority of each Contracting Government must, in assessing or determining any proposed transfer of a water allocation under this Schedule, ensure that--

(a) the licensing authority takes into consideration the Ministerial Council's policies on environmental flow management; and

(b) the proposed transfer is not inconsistent with those policies.

(2) The licensing authority of each Contracting Government must ensure that--

(a) any water allocation that has been transferred to the State under the Scheme; and

(b) the use of water diverted pursuant to such a transfer,

are subject to the same regulatory provisions and environmental considerations that apply in respect of water allocations granted by the licensing authority in the State and in respect of the use of water diverted pursuant to an intra-State transfer.

(3) The environmental considerations referred to in sub-clause (2) are set out in the document called "*Environmental Clearances for New Irrigation Developments in the Mallee Region*" (as approved by the Ministerial Council from time to time), and may include such matters as land use development, movement of water between high and low impact zones, channel capacity, clearance of native vegetation, on-farm irrigation standards, consideration of ground water accessions and surface drainage.

PART III – PROCEDURAL PROVISIONS

11. Procedural responsibilities in relation to transfer of water allocations

(1) The State of destination is responsible for processing applications to transfer interstate water allocations and for liaising with other relevant authorities for the assessments or approvals necessary to process such applications.

(2) The Commission is responsible for making--

(a) the necessary adjustments to the delivery of water under a State's entitlement, and

(b) any adjustment of river flows,

resulting from the Scheme.

12. Application for transferring water allocation interstate

(1) The holder of a water allocation may lodge an application to transfer the water allocation interstate. The application must be lodged with the licensing authority of the State of destination.

(2) The proposed purchaser of the water allocation may lodge, with the licensing authority in the State of destination, an application to obtain the water allocation.

(3) Both applications must be lodged at the same time.

(4) The licensing authority in the State of destination must--

(a) forward copies of both applications to the licensing authority in the State of origin for consideration; and

(b) consider the proposed purchaser's application to obtain the water allocation in that State; and

(c) forward both applications to the Commission so as to enable the Commission

to determine the exchange rates in respect of the transfer and to assess the Commission's ability to deliver the water to which the transfer relates.

13. Application fees

- (1) An application to transfer a water allocation to another State must be accompanied by the fee (if any) required under the law of the State of origin for transferring a water allocation in that State.
- (2) An application to obtain a water allocation from interstate must be accompanied by the fee (if any) required under the law of the State of destination for granting a water allocation in that State.
- (3) The licensing authority in the State of destination which receives an application fee in accordance with sub-clause (1) must send the fee to the licensing authority in the State of origin when forwarding copies of the applications to the State of origin.

14. Assessment of application

- (1) The licensing authority in the State of origin must ascertain whether the application to transfer a water allocation complies with that State's requirements for granting approvals to transfer water allocations within that State.
- (2) The licensing authority in the State of destination must--
 - (a) determine whether the application to obtain the water allocation complies with that State's requirements for granting an approval for a new or increased water allocation; and
 - (b) determine what conditions, if any, are to be attached to the transferred water allocation to meet those requirements (including such conditions as may be necessary to meet the State of destination's obligations under Schedule C to this Agreement).
- (3) The Commission is to notify the licensing authority in the State of destination--
 - (a) of any necessary adjustment to the transferred water allocation in order to give effect to a determination of the exchange rates; and
 - (b) whether the Commission has the capacity to deliver the water to which the transfer relates.

15. Grant of water allocation in State of destination and cancellation or reduction of water allocation in State of origin

- (1) If--
 - (a) an application to transfer a water allocation is assessed by the licensing authority in the State of destination to be capable of being granted; and
 - (b) the Commission has advised the licensing authority that the Commission has the capacity to deliver the water to which the transfer relates,the licensing authority in the State of destination may grant the water allocation.
- (2) However, the licensing authority in the State of destination must not do so until the licensing authority in the State of origin has confirmed that the transferred water allocation has been cancelled in the State of origin.
- (3) Once the cancellation of the transferred water allocation by the licensing authority in the State of origin is confirmed, the licensing authority in the State of destination may grant the water allocation--
 - (a) subject to such conditions as the licensing authority thinks fit to impose; and
 - (b) subject to the exchange rates.

16. Requirement to notify Commission

- (1) The licensing authority in the State of destination must notify the Commission as soon as practicable after the licensing authority grants a transferred water allocation.
- (2) The Commission must--
 - (a) record the transfer in the transfer register; and
 - (b) make such adjustments to the delivery of the State entitlements as may be necessary.

17. Transfer register

The Commission must keep a register for the purposes of this Schedule and record in it any water allocation that is transferred under the Scheme.

18. Monitoring and reporting requirements

- (1) Each Contracting Government must prepare a report every two years detailing the measures taken in that State to manage the environmental impact of new or extended irrigation development arising as a result of the Scheme.
- (2) Each Contracting Government must provide the report to the Commission within six months after the end of every second financial year that follows the date on which the Ministerial Council approved of this Schedule.
- (3) The Commission must prepare a report every year detailing the following matters--
 - (a) the volumes of water allocations which have been transferred in the previous financial year between each of the Contracting Governments;
 - (b) the exchange rates determined by the Commission, and those determined by the States, in respect of each water allocation transferred in the previous financial year;
 - (c) any gains set aside for environmental purposes resulting from the application of exchange rates;
 - (d) the adjustments made to Part VII charges for each Contracting Government in accordance with the pricing principles approved by the Commission as a result of all transferred water allocations in the previous financial year;
 - (e) the adjustments made by the Commission to the delivery of water, and any adjustments to States' entitlements under the Agreement;
 - (f) the adjustments made by the Commission to the water cap in respect of each State;
 - (g) the performance of each State in complying with the overall Murray-Darling Basin water cap;
 - (h) any environmental impacts resulting from the operation of the Scheme, in particular those relating to increased levels of salinity, reductions in environmental flows, and degradation of the natural environment;
 - (i) the progress in each State involved in the Scheme in achieving full cost recovery water pricing.
- (4) The Commission must provide the report to each of the Contracting Governments within six months after the end of each financial year that follows the date on which the Ministerial Council approved of this Schedule.

19. Review by Commission of operation of Scheme

- (1) The Commission is to carry out evaluations of the Scheme. An evaluation must deal with both the economic and environmental aspects of the Scheme.
- (2) The first evaluation must be carried out as soon as possible after the period of 2 years from the date on which the Ministerial Council approved of this Schedule (or sooner if trade exceeds 10 gegalitres from any one State during that 2 year period). Subsequent evaluations must be carried out at 2 yearly intervals after the first evaluation.
- (3) The Commission must report the outcome of each evaluation under this clause to the Ministerial Council and to the Community Advisory Committee appointed under clause 14 of the Agreement.

SCHEDULE F CAP ON DIVERSIONS

1. Purposes

The purposes of this Schedule are:

- (a) to establish long-term diversion caps from rivers within the Murray-Darling Basin, in order to protect and enhance the riverine environment; and
- (b) to set out action to be taken by the Ministerial Council, the Commission and State Contracting Governments to quantify and comply with annual diversion targets; and
- (c) to prescribe arrangements for monitoring and reporting upon action taken by State Contracting Governments to comply with annual diversion targets.

2. Definitions

In this Schedule, except where inconsistent with the context:

" **baseline conditions** " means the level of water resource development for rivers within the Murray-Darling Basin as at 30 June 1994 determined by reference to:

- (a) the infrastructure supplying water; and
- (b) the rules for allocating water and for operating water management systems applying; and
- (c) the operating efficiency of water management systems; and
- (d) existing entitlements to take and use water and the extent to which those entitlements were used; and
- (e) the trend in the level of demand for water within and from the Murray-Darling Basin at that date.

" **designated river valley** " means a river valley or water supply system referred to in, or designated under, sub-clause 3 (1).

" **historical data** " means data relevant to the period from 1 July 1983 to 30 June 1994, or such other period as the Commission may from time to time determine.

" **Register** " means the Register referred to in sub-clause 11 (7).

" **river valley** " means a river valley within the Murray-Darling Basin referred to in sub-clause 3 (2).

" **water year** " in relation to a river valley or a water supply system means the relevant 12 month period applicable to the allocation of water entitlements and measurement of diversions in that river valley or water supply system.

3. River Valleys and Designated River Valleys

- (1) Subject to sub-clause 3 (3), the river valleys or water supply systems listed at Schedule 1 are " **designated river valleys** " for the purposes of this Schedule.
- (2) Subject to sub-clause 3 (3), the river valleys listed at Schedule 2 are " **river valleys** " for the purposes of this Schedule.
- (3) The Ministerial Council may, from time to time, on the recommendation of the Commission:
 - (a) amend the description of:
 - (i) any designated river valley described in Schedule 1; or
 - (ii) any river valley in Schedule 2;
 - (b) designate, for the purposes of this Schedule, any river valley or water supply system not referred to in Schedule 1; or
 - (c) add any river valley to those set out in Schedule 2.

4. Long-term diversion cap for New South Wales

- (1) The Government of New South Wales must ensure that diversions within each designated river valley in New South Wales do not exceed diversions under baseline

conditions in that designated river valley, as determined by reference to the model developed under sub-clause 9 (4).

(2) In calculating baseline conditions for the Border Rivers, allowance must be made for such annual volume as the Ministerial Council may, from time to time, determine in view of the special circumstances applying to Pindari Dam.

5. Long-term diversion cap for Victoria

(1) The Government of Victoria must ensure that diversions within each designated river valley in Victoria (including the upper River Murray) do not exceed diversions under baseline conditions in that designated river valley, as determined by reference to the model developed under sub-clause 9 (4).

(2) In calculating baseline conditions for the Goulburn/Broken/Loddon and/or the Murray Valley water supply systems, allowance must be made for an additional 22 GL per year, or such other annual volume as the Ministerial Council may, from time to time, determine in view of the special circumstances applying to Lake Mokoan.

6. Long-term diversion cap for South Australia

(1) The Government of South Australia must ensure that diversions from the River Murray within South Australia:

(a) for water supply purposes delivered to Metropolitan Adelaide and associated country areas through the Swan Reach-Stockwell, Mannum-Adelaide and Murray Bridge-Onkaparinga pipeline systems do not exceed a total diversion of 650 GL over any period of 5 years;

(b) for Lower Murray Swamps irrigation do not exceed 83.4 GL per year;

(c) for water supply purposes for Country Towns do not exceed 50 GL per year; and

(d) for all other purposes do not exceed a long-term average annual diversion of 440.6 GL.

(2) Subject to sub-clause 6 (3), the Ministerial Council may alter the annual diversion cap set out in:

(a) paragraph 6 (1) (b) after considering a submission from the Government of South Australia on the 1993/94 level of diversions for the purposes referred to in that paragraph; and

(b) paragraph 6 (1) (c) after considering the outcome of modelling studies.

(3) The Ministerial Council may only alter an annual diversion cap under sub-clause 6 (2) in order to represent more accurately diversions under baseline conditions.

(4) The Government of South Australia must ensure that no part of any entitlement created in South Australia with respect to the diversion referred to in paragraph 6 (1) (a) is either used, or transferred for use, for any purpose other than use in Metropolitan Adelaide and associated country areas, unless the Ministerial Council determines otherwise.

(5) If the Government of South Australia supplies any of the diversions referred to in paragraph 6 (1) (d) through the Swan Reach-Stockwell, Mannum-Adelaide and Murray Bridge-Onkaparinga pipeline systems in any year, it must:

(a) record the volume of water so delivered for that purpose in that year; and

(b) account for that volume against the long-term average annual diversion referred to in paragraph 6 (1) (d), when monitoring and reporting to the Commission under clause 11.

7. Long-term diversion cap for Queensland

(1) The Government of Queensland must ensure that diversions from each designated river valley in Queensland do not exceed such long-term diversion caps as may be fixed by the Ministerial Council on the recommendation of the Commission.

(2) Until December 2002--

(a) a long-term diversion cap fixed under sub-clause 7 (1) may be expressed in

terms of a long-term pattern of flow to be maintained at the end of a designated river valley; and

(b) if the long-term diversion cap is so expressed, in order to determine whether the cap has been complied with in Queensland:

(i) the expressions "diversion" or "diversions" occurring in clauses 9-17 must be read as if they referred to "end-of-valley flow" or "end-of-valley flows" respectively; and

(ii) the expression "credit" in paragraph 11 (8) (b) must be read as if it referred to "debit"; and

(iii) the expression "debit" in paragraph 11 (8) (c) must be read as if it referred to "credit".

(3) On or before 30 June 2000, the Government of Queensland will prepare and publish water management plans and water allocation management plans for all river valleys in Queensland.

(4) After considering the plans referred to in sub-clause 7 (3), the Commission must make the recommendations referred to in sub-clause 7 (1).

8. Power of Ministerial Council to alter long-term diversion caps

A long-term diversion cap referred to in clause 4, 5, 6 or 7 from time to time:

(a) must be altered by the Commission, to reflect the result of trading water entitlements within a State or between States; and

(b) may be altered by the Ministerial Council, on the recommendation of the Commission, for any other reason.

9. Developing Analytical Models

(1) The Commission must develop analytical models for determining the annual diversion targets for the upper River Murray.

(2) Subject to sub-clause 9 (1), the Governments of New South Wales, Victoria and Queensland must each develop analytical models for determining the annual diversion target for each designated river valley within the territory of that State.

(3) The Government of South Australia must develop analytical models for determining the annual diversion target for diversions referred to in paragraph 6 (1) (d).

(4) An analytical model developed under this clause:

(a) must simulate the long-term diversion cap in the relevant designated river valley; and

(b) must be tested against relevant historical data to determine the accuracy of the model in estimating the annual diversion; and

(c) must be approved by the Commission before it is used to determine an annual diversion target under this Schedule; and

(d) may, from time to time, be modified in such ways as the Commission may approve; and

(e) must be used to determine the average annual diversion under the conditions of the relevant long-term diversion cap determined under clause 4, 5, 6 or 7 for either:

(i) the period between the start of the 1891 water year and the end of the 1997 water year; or

(ii) such a lesser period as may be approved by the Commission.

(5) The Commission may only approve an analytical model or a modification to an analytical model if the Commission considers that the model, when approved or modified, will fairly determine the relevant annual diversion target given the climatic conditions experienced in any year.

10. Calculation of annual diversion targets

(1) Within two months after the end of the relevant water year and using the analytical

models developed and approved under clause 9:

- (a) the Commission must calculate the annual diversion targets for New South Wales and Victoria for that year for the upper River Murray; and
 - (b) subject to paragraph (a), the Governments of New South Wales, Victoria, South Australia and Queensland must, for each designated river valley within the territory of that State, calculate the annual diversion target for that year.
- (2) The Commission must promptly inform the Governments of New South Wales and Victoria of the results of every calculation made under paragraph 10 (1) (a) with respect to the upper River Murray.
- (3) The Government of New South Wales, Victoria, South Australia and Queensland, respectively, must each promptly inform the Commission of the results of every calculation made by it under paragraph 10 (1) (b).

11. Monitoring and Reporting

(1) Each State Contracting Government must, for each water year and in relation to each river valley specified in Schedule 2 within its territory, monitor and report to the Commission upon:

- (a) diversions made within and to; and
- (b) water entitlements, announced allocations of water and declarations which permit the use of unregulated flows of water within; and
- (c) trading of water entitlements within, to or from

the territory of that State in that water year.

(2) Each State Contracting Government must, for each water year and in relation to each designated river valley within its territory, monitor and report to the Commission upon:

- (a) the compliance by that State with each relevant annual diversion target calculated under this Schedule for that water year; and
- (b) such actions which the State proposes to take to ensure that it does not exceed the annual diversion targets calculated under this Schedule for every ensuing water year.

(3) For the purpose of sub-clauses 11 (1) and (2) the expression "river valley within its territory" in relation to Victoria, includes that portion of the upper River Murray forming the border between Victoria and New South Wales.

(4) A report under sub-clause 11 (1) or (2) must be given to the Commission within two months of the end of each relevant water year or by such other time as the Commission may determine.

(5) On the basis of the calculations referred to in sub-clause 10 (1) and reports given to it under sub-clauses 11 (1) and (2) the Commission:

- (a) must, in relation to each State Contracting Government, produce a water audit monitoring report which includes information about that Government's compliance with the annual diversion target calculated for each designated river valley in the territory of that State and for the whole of the State in the relevant water year; and
- (b) may publish any such report, or a summary thereof, in such manner as it may determine.

(6) A water audit monitoring report under sub-clause 11 (4) must be produced by 31 December following the conclusion of each relevant water year, or by such other time as the Commission may determine.

(7) The Commission must maintain a Register which records:

- (a) for each designated river valley; and
- (b) for each State,

the cumulative difference between actual annual diversions and the annual diversion targets calculated under this Schedule.

(8) The Register must:

- (a) include information about every water year concluding after:
 - (i) 1 November 1997 for each State other than Queensland; and
 - (ii) for Queensland, a date determined by the Ministerial Council when it fixes long-term diversion caps under sub-clause 7 (1); and
- (b) if cumulative actual diversions for any designated river valley or for any State are less than the cumulative annual diversion targets calculated under this Schedule, as the case requires, record the difference as a credit; and
- (c) if cumulative actual diversions for any designated river valley or for any State are greater than the cumulative annual diversion targets calculated under this Schedule, as the case requires, record the difference as a debit.

(9) The Commission must include a report on the operation of this Schedule in any report made to the Ministerial Council under clause 84 of the Agreement.

12. Appointment of Independent Audit Group

The Commission must appoint an Independent Audit Group for the purpose of this Schedule.

13. Annual audit by the Independent Audit Group

- (1) The Independent Audit Group must, until 31 December 2004, annually audit the performance of each State Contracting Government in implementing the long-term diversion cap in each water year which concludes on or between 1 June 1999 and 1 November 2004.
- (2) The Commission may direct the Independent Audit Group to audit the performance of any State Contracting Government in implementing the long-term diversion cap in any water year concluding after 1 November 2004.
- (3) The Independent Audit Group must report to the Commission on any audit conducted under this clause.

14. Power to require a special audit of a designated river valley

If, after receiving a report from a State Contracting Government under sub-clause 11 (2) for any year, the Commission calculates that either:

- (a) the diversion for water supply to Metropolitan Adelaide and associated country areas over the last five years has exceeded 650 GL; or
- (b) the cumulative debit recorded in the Register exceeds 20% of the average annual diversion determined under paragraph 9 (4) (e) for a particular designated river valley within that State,

the Commission must direct the Independent Audit Group to conduct a special audit of the performance of that State Contracting Government in implementing the long-term diversion cap in the relevant designated river valley.

15. Special audit by Independent Audit Group

- (1) In conducting a special audit under clause 14, the Independent Audit Group must consider:
 - (a) data on diversions and annual diversion targets recorded on the Register; and
 - (b) data submitted by the relevant State Contracting Government, including, for example, data about areas under irrigation, storage capacities, crop production, irrigation technology and the conjunctive use of groundwater in the designated river valley; and
 - (c) the impact that policies implemented by the State Contracting Government may have on the expected pattern of annual diversions; and
 - (d) whether the diversion for all years on the Register exceeds the diversion expected under the long-term diversion cap for those years, and
 - (e) any other matter which the Independent Audit Group considers relevant.
- (2) The Independent Audit Group must:

- (a) determine whether the long-term diversion cap has been exceeded in the designated river valley; and
- (b) report to the Commission on the special audit and advise the Commission of its determination within six months after a direction given under clause 14.

16. Declaration that diversion cap has been exceeded

If the Commission receives a report under sub-clause 15 (2) which determines that a State has exceeded the long-term diversion cap in a designated river valley, the Commission must:

- (a) forthwith declare that the State has exceeded the Murray-Darling Basin diversion cap; and
- (b) report the matter to the next meeting of the Ministerial Council.

17. Advice to Ministerial Council on remedial actions

(1) The Government of a State referred to in sub-clause 16 (a) must report to the next Ministerial Council after a declaration is made under that sub-clause, setting out:

- (a) the reasons why diversions exceeded the Murray-Darling Basin diversion cap; and
- (b) action taken, or proposed to be taken by it to ensure that cumulative diversions recorded in the Register are brought back into balance with the cap; and
- (c) the period within the relevant model referred to in clause 9 predicts that the cumulative diversions recorded in the Register will be brought back into balance with the cap.

(2) The Government of a State that has been required to report to the Ministerial Council under sub-clause 17 (1) must report to each subsequent meeting of the Ministerial Council on action taken, or proposed to be taken by it to ensure that cumulative diversions recorded in the Register are brought back into balance with the cap, until the Commission revokes a declaration pursuant to sub-clause 17 (3).

(3) When the Commission is satisfied that a State in respect of which a declaration has been made under paragraph 16 (a) has brought the cumulative diversions recorded in the Register back into balance with the cap and is once more complying with the Murray-Darling Basin diversion cap in all respects, it must:

- (a) revoke the declaration; and
- (b) report that fact to the next meeting of the Ministerial Council.

Schedule 1 Designated River Valleys

1. New South Wales

The New South Wales portion of the Border Rivers.

The New South Wales portion of the following river valleys

Moonie, Big Warrambool, the Culgoa/Birrie/Bokhara/Narran water supply system, Warrego, Paroo.

Gwydir.

Namoi.

The Macquarie/Castlereagh/Bogan water supply system.

The Barwon/Upper Darling water supply system and the Lower Darling from the furthest upstream reach of the Menindee Lakes to the furthest upstream reach of the Wentworth Weir Pool.

Lachlan.

Murrumbidgee.

The New South Wales portion of the Murray Valley including the portion of the Lower Darling influenced by the Wentworth Weir Pool.

2. Queensland

The Condamine/Balonne water supply system.

The portion of the Border Rivers in Queensland.

The portion of the Moonie in Queensland.

The portion of the Warrego in Queensland.

The portion of the Paroo in Queensland.

3. Victoria

The Goulburn/Broken/Loddon water supply system.

Campaspe

The Wimmera/Mallee water supply system.

The Victorian portion of the Murray Valley including the Kiewa and Ovens.

4. South Australia

The pumps on the Murray within South Australia used to supply Metropolitan Adelaide and associated country areas.

Lower Murray Swamps irrigation.

Country Towns water use.

All other uses of water from the Murray within South Australia.

5.

In this Schedule, " **Border Rivers** " has the same meaning as in the Border Rivers Agreement between New South Wales and Queensland.

Schedule 2 River Valleys

1. New South Wales

The portion of the Border Rivers in New South Wales.

The portion of the Moonie in New South Wales.

The portion of the Big Warrambool in New South Wales.

The portion of the Culgoa/Birrie/Bokhara/Narran water supply system in New South Wales.

The portion of the Warrego in New South Wales.

The portion of the Paroo in New South Wales.

Gwydir.

Namoi.

The Macquarie/Castlereagh/Bogan water supply system.

The Barwon/Upper Darling water supply system.

Lower Darling from the furthest upstream reach of the Menindee Lakes to the furthest upstream reach of the Wentworth Weir Pool.

Lachlan.

Murrumbidgee.

The New South Wales portion of the Murray Valley including the portion of the Lower Darling influenced by the Wentworth Weir Pool.

2. Queensland

The Condamine/Balonne water supply system.

The portion of the Border Rivers in Queensland.

The portion of the Moonie in Queensland.

The portion of the Warrego in Queensland.

The portion of the Paroo in Queensland.

3. Victoria

Kiewa.

Ovens.

Goulburn.

Broken.

Campaspe.

Loddon.

Wimmera/Mallee

The Victorian portion of the Murray Valley.

4. South Australia

The pumps on the Murray within South Australia used to supply Metropolitan Adelaide and associated country areas.

Lower Murray Swamps irrigation.

Country Towns water use.

All other uses of water from the Murray within South Australia.

5.

In this Schedule, " **Border Rivers**" " has the same meaning as in the Border Rivers Agreement between New South Wales and Queensland.

SCHEDULE G EFFECT OF SNOWY SCHEME

PART I – PRELIMINARY

1. Purpose

The purpose of this Schedule is to make arrangements for sharing between New South Wales, South Australia and Victoria of water made available in the catchment of River Murray above Hume Dam by the Snowy Scheme.

2. Definitions

In this Schedule:

(1) " means:

- (a) the infrastructure supplying water;
- (b) the rules for allocating water and for water management systems applying;
- (c) the operating efficiency of water management systems; and
- (d) existing entitlements to take and use water and the extent to which those entitlements were used,

within the Murray-Darling Basin as at the Corporatisation Date;

(2) " means the date on which the *Snowy Mountains Hydro-electric Power Act 1949* (Cth) is repealed by the *Snowy Hydro Corporatisation Act 1997* (Cth);

(3) " means:

- (a) a category of environmental water referred to in section 8 of the *Water Management Act 2000* (NSW); and
- (b) a bulk entitlement granted under the *Water Act 1989* (Vic) that includes conditions relating to environmental purposes;

in both cases comprising a volume of water derived from either or both of Water Savings and Water Entitlements;

(4) " means the Broken, Goulburn, Campaspe and Loddon Rivers and the water supply systems supplied by those rivers;

(5) " means the licensee under the Snowy Water Licence;

(6) " means the long term diversion cap for the State of New South Wales or the State of Victoria under clauses 4 and 5 respectively of Schedule F;

(7) " means the Darling River and its anabranch system from the upstream extent of the Menindee Lakes Storage and downstream and the water supply systems supplied by that River;

(8) " means calendar month and " means each calendar month;

(9) " means the water account to be maintained by the Licensee under the Snowy Water

- Licence to account for flows made under the Snowy Water Licence from the Mowamba River and Cobbon Creek in the first three years after the Corporatisation Date;
- (10) " means the Murrumbidgee River and the water supply systems supplied by that river;
- (11) " has the same meaning as in the Snowy Water Licence as at the Corporatisation Date;
- (12) " with respect to a supply of water means the statistical probability of being able to supply a particular volume in any Water Year;
- (13) " has the same meaning as in the Snowy Water Licence taken as a whole as at the Corporatisation Date. For the avoidance of doubt, "Required Annual Release" is not a reference to "Agreed Annual Release" under that Licence and a change to the Snowy Water Licence after the Corporatisation Date will not affect the calculation of Required Annual Releases for the purposes of this Schedule;
- (14) " means, in any Water Year, the volume by which the Required Annual Release from the Snowy-Murray Development in that Water Year exceeds the actual release from the Snowy Scheme to the catchment of the River Murray upstream of Hume Dam in that Water Year;
- (15) " means, in any Water Year, water that is released from the Snowy Scheme to the catchment of the River Murray upstream of Hume Dam in excess of the Required Annual Release from the Snowy-Murray Development in that Water Year;
- (16) " with respect to each Water Year means the annual allocation from the River Murray Apportioned Entitlement determined by New South Wales;
- (17) " means the volume of water from the Environmental Entitlements that is apportioned to the River Murray Increased Flows by New South Wales;
- (18) " means releases of water from major storages made by the Commission in accordance with Part V of this Schedule;
- (19) " means the water accounts to be maintained by the Commission under clause 21 of this Schedule;
- (20) " means the water account to be maintained by the Commission under paragraph 21(1)(b) of this Schedule;
- (21) " means the aggregate of:
- (a) the River Murray;
 - (b) all tributaries entering the River Murray upstream of Doctors Point;
 - (c) the Ovens River; and
 - (d) the Lower Darling River System;
- (22) " with respect to the water to which an entitlement refers means:
- (a) for that part of the entitlement whose availability is determined by reference to seasonal allocations: the final seasonal allocation announcement of the relevant State during the previous Water Year; and
 - (b) for that part of the entitlement whose availability is determined by reference to the entitlement of South Australia: the allocated volume received during the previous Water Year by South Australia as a proportion of its entitlement during that Water Year under this Agreement;
- (23) " means releases of water made by the Licensee to montane rivers under the environmental flow requirements of the Snowy Water Licence which would have flowed through either:
- (a) the Murray 1 Power Station in the case of the Snowy-Murray Development; or
 - (b) Jounama Pondage in the case of the Snowy-Tumut Development,
- if it were not released for environmental purposes;
- (24) " means the component of the Snowy Scheme comprising works that regulate the waters of the Upper Snowy River, the Geehi River and Bogong Creek;
- (25) " means the annual allocation for any Water Year for the Snowy-Murray

Development determined by New South Wales by reference to the Seasonal Availability of the water contained in the Snowy-Murray Development Designated Entitlement;

(26) " means that part of the Environmental Entitlements designated against the Snowy-Murray Development by New South Wales;

(27) " means both:

(a) a category of environmental water referred to in section 8 of the *Water Management Act 2000* (NSW); and

(b) a bulk entitlement granted under the Water Act 1989 (Vic) that includes conditions relating to the protection of the environment,

in both cases comprising a volume of water derived from either or both of Water Savings and Water Entitlements sourced from the River Murray System or the Goulburn River System;

(28) " means:

(a) in the case of the Snowy-Murray Development: the calculated active volume of water belonging to the Snowy-Murray Development stored in Eucumbene Reservoir exceeding 2,019 GL and accounted as a loss from the Snowy-Murray Development and a gain to the Snowy-Tumut Development;

(b) in the case of Snowy-Tumut Development: the calculated active volume of water belonging to the Snowy-Tumut Development stored in Eucumbene Reservoir exceeding 2,348 GL and accounted as a loss from the Snowy-Tumut Development and a gain to the Snowy-Murray Development;

(29) " means the Snowy River downstream of Jindabyne Dam;

(30) " means the annual allocation from the Snowy River Apportioned Entitlement for any Water Year, determined by New South Wales;

(31) " means the volume of water from the Environmental Entitlements apportioned to environmental flows from the Snowy Scheme to the Snowy River, by New South Wales;

(32) " means the dams, tunnels, power stations, aqueducts and other structures that comprise the Snowy-Murray Development and the Snowy-Tumut Development, that together are known as the Snowy Mountains Hydro-electric Scheme;

(33) " means the component of the Snowy Scheme comprising works that regulate the waters of the Eucumbene River, the Tooma River, the Upper Murrumbidgee River and the Upper Tumut River;

(34) " with respect to each Water Year means the annual allocation for the Snowy-Tumut Development determined by New South Wales by reference to the Seasonal Availability of the water contained in the Snowy-Tumut Development Designated Entitlement;

(35) " means that part of the Environmental Entitlements designated against the Snowy-Tumut Development by New South Wales;

(36) " means the licence issued under Part 5 of the *Snowy Hydro Corporatisation Act 1997* (NSW);

(37) " means the strategy for retaining and releasing River Murray Increased Flows determined under paragraph 20(1)(a) of this Schedule;

(38) " means the translation factors used to convert Water Savings and Water Entitlements into an Environmental Entitlement with specified Reliability;

(39) " means the Snowy River upstream of Jindabyne Dam (including the Mowamba River and the Cobbon Creek) but excluding the Eucumbene River;

(40) " means:

(a) an access licence granted under the *Water Management Act 2000* (NSW); and

(b) a water right, licence to take and use water or bulk entitlement under the Water Act 1989 (Vic) together with any transferable allocation of sales water made to the holder of such a water right or licence,

in either case purchased for the purpose of achieving either or both of:

(c) environmental flows from the Snowy Scheme; and

- (d) River Murray Increased Flows;
- (41) " means, with respect to a Water Entitlement, the market from which the relevant Water Entitlement is drawn;
- (42) " means the volume of water saved through one or more projects that saves water:
- (a) by reducing transmission losses, evaporation or system inefficiencies; or
 - (b) by achieving either or both of water management and environmental improvements,
- for diversions from the River Murray System and either or both of Murrumbidgee River System and the Goulburn River System for the purpose of achieving:
- (c) environmental flows from the Snowy Scheme; and
 - (d) River Murray Increased Flows;
- (43) " means the period of 12 Months commencing on 1 May in each year.

PART II – CALCULATING WATER VOLUMES

3. The Snowy Scheme And The River Murray

(1) In this Agreement, " means:

	Water of the Upper Snowy River regulated by the Snowy Scheme
PLUS	water of the Geehi River and Bogong Creek regulated by the Snowy Scheme
PLUS	any Snowy Notional Spill from the Snowy-Tumut Development to the Snowy-Murray Development
PLUS	the transfer from the Snowy-Tumut Development to the Snowy-Murray Development of the Snowy-Tumut Development Annual Allocation
PLUS	4.5 GL per Water Year transferred from the Snowy-Tumut Development to the Snowy-Murray Development
PLUS	half of the balance of the Mowamba Borrowings Account
MINUS	any Snowy Notional Spill from the Snowy-Murray Development to the Snowy-Tumut Development.

(2) In this Agreement, " means the volume of water calculated as follows:

	Water Available to the Snowy-Murray Development released by the Snowy Scheme to the catchment of the River Murray upstream of Hume Dam
MINUS	the water of the Tooma River regulated by the Snowy Scheme
MINUS	the natural flows of the Geehi River and Bogong Creek regulated by the Snowy Scheme.

(3) In this Agreement, " means the volume of Water Available to the Snowy-Murray Development released by the Snowy Scheme to the catchment of the Murrumbidgee River.

4. The Snowy Scheme And The Murrumbidgee River

(1) In this Agreement, " means:

	The water of the Eucumbene River, the Tooma River, the Upper Murrumbidgee River and the Upper Tumut River regulated by the Snowy Scheme
PLUS	any Snowy Notional Spill from the Snowy-Murray Development to the Snowy-Tumut Development
MINUS	half of the balance of the Mowamba Borrowings Account
MINUS	any Snowy Notional Spill from the Snowy-Tumut Development to the Snowy-Murray Development
MINUS	the transfer from the Snowy-Tumut Development to the Snowy-Murray Development of the Snowy-Tumut Development Annual Allocation

MINUS	4.5 GL per Water Year transferred from the Snowy-Tumut Development to the Snowy-Murray Development.
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(2) In this Agreement, " means the volume of Water Available to the Snowy-Tumut Development released by the Snowy Scheme to the catchment of the River Murray upstream of Hume Dam.

5. Excess Snowy River Releases

In this Agreement, " means the greater of zero and the volume of water calculated as follows:

	The regulated releases made to the Snowy River in the relevant Water Year, measured immediately below the confluence of the Snowy River and the Mowamba River
MINUS	9 GL
MINUS	the Snowy River Annual Allocation in the relevant Water Year
MINUS	the change in the balance of the Mowamba Borrowings Account during the relevant Water Year.

6. Snowy River Release Shortfalls

In this Agreement, " means the greater of zero and the volume of water calculated as follows:

	The Snowy River Annual Allocation in the relevant Water Year
PLUS	9 GL
PLUS	the change in the balance of the Mowamba Borrowings Account from the commencement to the end of the relevant Water Year
MINUS	the regulated releases made to the Snowy River in the relevant Water Year, measured immediately below the confluence of the Snowy River and the Mowamba River.

7. Accounting For Water Releases

For the purposes of this Agreement, water releases from the Snowy-Murray Development to the catchment of the River Murray upstream of Hume Dam are to be accounted as:

- (1) water releases as at Murray 1 Power Station; and
- (2) any water that would have passed through the Murray 1 Power Station but does not:
 - (a) for operational reasons; or
 - (b) because it is released from the Snowy Scheme as Snowy Montane Rivers External Increased Flows,
and that flows into the catchment of the River Murray upstream of Hume Dam.

PART III – WATER ACCOUNTING

8. Entitlements Of New South Wales And Victoria To Use Water

The volume of water referred to in paragraph 91(1)(e) of the Agreement is calculated as follows:

	The Net Snowy-Murray Development Diversions to the River Murray
PLUS	Murray to Murrumbidgee Inter-Valley Transfers
PLUS	the Required Annual Release Shortfall
PLUS	the Snowy-Murray Development Annual Allocation
PLUS	Excess Snowy River Releases in excess of the volume of the Snowy River Release Shortfall in the previous Water Year
MINUS	At the discretion of the Commission, Murrumbidgee to Murray Inter-Valley Transfers

MINUS	the Required Annual Release Shortfall from the previous Water Year
MINUS	River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir.

9. Water Estimated To Be Under The Control Of The Commission

Water referred to in paragraph 98(e) of the Agreement is estimated as follows:

	The Net Snowy-Murray Development Diversions to the River Murray
PLUS	Murray to Murrumbidgee Inter-Valley Transfers
PLUS	the Required Annual Release Shortfall
PLUS	the Snowy-Murray Development Annual Allocation
PLUS	Excess Snowy River Releases in excess of the volume of the Snowy River Release Shortfall in the previous Water Year
MINUS	at the discretion of the Commission, Murrumbidgee to Murray Inter-Valley Transfers
MINUS	the Required Annual Release Shortfall from the previous Water Year
MINUS	River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir,

in each case before the end of the following May.

10. Allocation of Water to New South Wales and Victoria

The volume of water referred to in paragraph 103(1)(b) of the Agreement is calculated as follows:

	The Net Snowy-Murray Development Diversions to the River Murray
PLUS	Murray to Murrumbidgee Inter-Valley Transfers
PLUS	the Required Annual Release Shortfall
PLUS	the Snowy-Murray Development Annual Allocation
PLUS	Excess Snowy River Releases in excess of the volume of the Snowy River Release Shortfall in the previous Water Year
MINUS	at the discretion of the Commission, Murrumbidgee to Murray Inter-Valley Transfers
MINUS	the Required Annual Release Shortfall from the previous Water Year
MINUS	River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir.

11. Tributary Inflows

(1) The volume of water referred to in sub-clause 105(2) of the Agreement is calculated as follows:

	The component of the Required Annual Release Shortfall from the previous Water Year allocated to New South Wales under sub-clause 13(2) of this Schedule
PLUS	half of the River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir
PLUS	half of the Excess Snowy River Release up to the volume of half of the Snowy River Release Shortfall in the previous Water Year for which an adjustment was made under sub-clauses 11(2) and 12(1) of this Schedule in the previous Water Year
PLUS	at the discretion of the Commission, Murrumbidgee to Murray Inter-Valley Transfers.

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(2) The volume of water referred to in sub-clause 105(3) of the Agreement is calculated as follows:

	The component of the Required Annual Release Shortfall from the previous Water Year allocated to Victoria under sub-clause 13(2) of this Schedule
PLU S	half of the River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir
PLU S	half of the Snowy River Release Shortfall, unless Victoria has previously advised the Commission that Victoria waives this element of its allocation in any Water Year.

12. Use By New South Wales And Victoria Of Allocated Water

(1) The quantity of water referred to in paragraph 106(b) of the Agreement is calculated as follows:

	Murray to Murrumbidgee Inter-Valley Transfers
PLU S	Excess Snowy River Releases in excess of the volume of the Snowy River Release Shortfall in the previous Water Year
PLU S	the Snowy-Murray Development Annual Allocation sourced from New South Wales
PLU S	the component of the Required Annual Release Shortfall allocated to New South Wales under sub-clause 13(1) of this Schedule
PLU S	unless otherwise agreed with Victoria, half of the Snowy River Release Shortfall.

(2) The quantity of water referred to in paragraph 106(c) of the Agreement is calculated as follows:

	The Snowy-Murray Development Annual Allocation sourced from Victoria
PLU S	the component of the Required Annual Release Shortfall allocated to Victoria under sub-clause 13(1) of this Schedule
PLU S	half of the Excess Snowy River Release up to the volume of half of the Snowy River Release Shortfall in the previous Water Year for which an adjustment was made under sub-clauses 11(2) and 12(1) of this Schedule in the previous Water Year, (such adjustments to reflect any waiver or agreement with Victoria as referred to in those sub-clauses).

13. Required Annual Release Shortfalls

(1) If at the end of a Water Year there is a Required Annual Release Shortfall, the Required Annual Release Shortfall is to be accounted for by the Commission in accordance with Table One.

TABLE ONE: WATER ACCOUNTING AND REQUIRED ANNUAL RELEASE SHORTFALLS

TYPE OF WATER YEAR	ARRANGEMENT WITH RESPECT TO REQUIRED ANNUAL RELEASE SHORTFALL	WATER ACCOUNTING OUTCOMES
Water Year during which a period of special accounting is not in effect	Victoria agrees to the Required Annual Release Shortfall	New South Wales and Victoria deemed to each have used the Required Annual Release Shortfall as agreed
	Victoria does not agree to the Required Annual Release Shortfall	New South Wales deemed to have used the whole of the Required Annual Release Shortfall

Water Year during which a period of special accounting is in effect	Victoria and the Commission agree to the Required Annual Release Shortfall	New South Wales and Victoria deemed to each have used the Required Annual Release Shortfall as agreed
	The Commission does not agree to the Required Annual Release Shortfall	New South Wales deemed to have used the whole of the Required Annual Release Shortfall

(2) The volume of any Required Annual Release Shortfall from the previous Water Year must be allocated equally between New South Wales and Victoria until the balance of Required Annual Release Shortfalls for either State is zero and thereafter wholly to the other State.

14. Other Water Accounting Provisions

(1) Where under this Schedule the Commission is required to adjust accounts in connection with the Snowy-Murray Development Annual Allocation, it must make those adjustments in equal Monthly quantities.

(2) Where under this Schedule the Commission is required to adjust accounts in connection with inter-valley transfer, it must make those adjustments in equal Monthly quantities during the balance of the Water Year in which New South Wales notifies the Commission of the relevant inter-valley transfer.

(3) Each release of River Murray Increased Flows must be allocated half to New South Wales and half to Victoria.

PART IV – SNOWY-MURRAY DEVELOPMENT (RIVER MURRAY) ENVIRONMENTAL ENTITLEMENTS

15. Translation Factors

(1) New South Wales and Victoria must each transfer Water Savings and Water Entitlements to its respective Snowy-Murray Development (River Murray) Environmental Entitlement in accordance with Translation Factors agreed between each of them and the Commission.

(2) New South Wales, Victoria and the Commission must ensure that:

(a) the Translation Factors are determined in a manner consistent with the principles used to determine exchange rates in the relevant Water Market at the time of each transfer under sub-clause 18(2) of this Schedule; and

(b) the use of Translation Factors to transfer Water Savings and Water Entitlements to a Snowy-Murray Development (River Murray) Environmental Entitlement will not have a significant adverse impact on:

(i) the level of Reliability of entitlements to water diverted from the River Murray System, the Murrumbidgee River System and the Goulburn River System;

(ii) the environmental benefits related to the quantity and timing of water flows for environmental purposes in the River Murray System, the Murrumbidgee River System and the Goulburn River System;

(iii) the Seasonal Availability of the entitlement to be received during that Water Year by South Australia under this Agreement; and

(iv) water quality in the River Murray in South Australia.

16. Apportionment Of Environmental Entitlements

New South Wales and Victoria must notify the Commission of how each Environmental Entitlement has been apportioned between:

(1) the Snowy River Apportioned Entitlement; and

(2) the River Murray Apportioned Entitlement.

17. Valley Accounts

If:

(1) New South Wales or Victoria transfers either or both of Water Savings and Water Entitlements to an Environmental Entitlement; and

(2) the source of that water is from a valley for which the Commission maintains a valley account,

New South Wales or Victoria (as the case may be) must notify the Commission of the volume and reliability of the entitlement required to be added to the relevant valley account to generate the Environmental Entitlement.

18. Long Term Diversion Caps

(1) Prior to New South Wales or Victoria transferring either or both of Water Savings and Water Entitlements to an Environmental Entitlement, the relevant State must calculate the equivalent volume by which its Long Term Diversion Cap must be reduced.

(2) If New South Wales or Victoria transfers either or both of Water Savings and Water Entitlements to an Environmental Entitlement, at the same time the relevant State must advise the Commission of its calculation as to the volume by which its Long Term Diversion Cap must be reduced.

(3) If the Commission is satisfied with the appropriateness of a calculation advised under sub-clause 18(2), it must recommend to the Ministerial Council that the relevant Long Term Diversion Cap be amended in accordance with the calculation.

(4) If the Commission is not satisfied with the appropriateness of a calculation advised under sub-clause 18(2), the Commission must arrange for the relevant volume referred to in sub-clause 18(1) to be re-calculated in consultation with the relevant State.

(5) If a majority of the Commissioners is satisfied with the appropriateness of a calculation made under sub-clause 18(4), the Commission must recommend to the Ministerial Council that the relevant Long Term Diversion Cap be amended in accordance with the calculation.

(6) Despite paragraph 8(b) of Schedule F, the Ministerial Council must amend a Long Term Diversion Cap in accordance with any recommendation made by the Commission under sub-clause 18(3) or 18(5).

PART V – RIVER MURRAY INCREASED FLOWS

19. Obligation Of Commission To Make River Murray Increased Flows

Subject to this Part, the Commission must release River Murray Increased Flows.

20. Environmental Objectives And Strategy For River Murray Increased Flows

(1) Before the commencement of the second complete Water Year after the Corporatisation Date, the Ministerial Council must determine:

(a) a strategy for retaining and releasing River Murray Increased Flows to be implemented by the Commission; and

(b) the environmental objectives for the River Murray Increased Flows, in accordance with the provisions of this clause.

(2) The Strategy:

(a) must include a provision to the effect that River Murray Increased Flows have first priority from River Murray Above Target Releases;

(b) may provide that water credited to the River Murray Increased Flows in Commission Storages Account need not be released during the Water Year in which it is credited;

(c) unless the Ministerial Council otherwise determines, must not have a

- significant adverse impact upon the security of entitlements to water;
 - (d) must integrate the environmental objectives for the River Murray Increased Flows with other environmental initiatives on the River Murray;
 - (e) must include adaptive management principles to allow the ability to optimise environmental benefits; and
 - (f) must prescribe appropriate environmental reporting and monitoring conditions.
- (3) The Ministerial Council must determine the environmental objectives and Strategy in accordance with the following principles:
- (a) Natural diversity of habitats and biota within the river channel, riparian zone and the floodplain should be maintained or enhanced.
 - (b) Natural linkages between the river and the floodplain should be maintained or enhanced.
 - (c) Natural metabolic functioning of aquatic ecosystems should be maintained or enhanced.
 - (d) Elements of the natural flow regime, in particular, seasonality should be retained or enhanced as far as possible, in the interests of conserving a niche for native rather than invasive exotic species and in maintaining the natural functions of the river.
 - (e) Consistent and constant flow and water level regimes should be avoided where practical, as this is contrary to the naturally variable flow regime of the River Murray.
 - (f) The general principles of ecosystem services should be recognised.
 - (g) Environmental benefit should be optimised.
- (4) The Ministerial Council may from time to time by resolution amend the environmental objectives and the Strategy.
- (5) As soon as practicable after the end of each Water Year, the Commission must report to the Contracting Governments on the environmental outcomes of the River Murray Increased Flows during that Water Year, in the light of the objectives determined by the Ministerial Council for those Increased Flows.

21. Commission To Maintain River Murray Increased Flows Accounts

- (1) The Commission must maintain continuous water accounts of the River Murray Increased Flows to be known as:
- (a) the Initial River Murray Increased Flows Account; and
 - (b) the River Murray Increased Flows in Commission Storages Account.
- (2) The Commission must:
- (a) credit the Initial River Murray Increased Flows Account with the River Murray Annual Allocation notified by New South Wales;
 - (b) transfer from the Initial River Murray Increased Flows Account to the River Murray Increased Flows in Commission Storages Account, River Murray Above Target Releases allocated to the River Murray Increased Flows in accordance with the Strategy;
 - (c) record in the River Murray Increased Flows in Commission Storages Account the transfer of water in that account between Commission storages; and
 - (d) record in the River Murray Increased Flows in Commission Storages Account the release of River Murray Increased Flows from Commission storages.
- (3) The River Murray Increased Flows Accounts must be independently audited unless the Commission by resolution declares otherwise.
- (4) As soon as practicable after the completion of each audit, the Commission must send a copy of the audited River Murray Increased Flows Accounts to the Contracting Governments.

22. Implementing the Strategy

The Commission must commence to implement the Strategy on the later of:

- (1) the beginning of the second complete Water Year occurring after the Corporatisation Date; and
- (2) the receipt by Hume Reservoir from the Snowy Scheme of River Murray Above Target Releases allocated to the River Murray Increased Flows.

23. Binding Effect of Strategy

Despite any other provision in this Agreement, the Commission must:

- (1) allocate River Murray Above Target Releases to the River Murray Increased Flows Accounts; and
 - (2) manage the water in and releases of water from the River Murray Increased Flows in Commission Storages Account,
- in accordance with the Strategy.

PART VI – NOTIFICATION AND CONSULTATION PROVISIONS

24. Commission To Be Informed Of New Proposals

A Contracting Government must inform the Commission of any proposal:

- (1) to achieve Water Savings or to purchase Water Entitlements for the purpose of transferring those Water Savings or Water Entitlements to the Environmental Entitlements; or
 - (2) to modify the reliability of a supply of water pursuant to an Environmental Entitlement,
- in accordance with sub-clause 46(4) of the Agreement.

25. Snowy Scheme Annual Water Operating Plan

- (1) The parties acknowledge that as a result of provisions in the Snowy Water Licence and a deed between the Commonwealth, New South Wales and Victoria as at the Corporatisation Date, the Licensee is bound to consult with others, including the Commission, while developing each Annual Water Operating Plan and any variation to each Plan.
- (2) The Commonwealth, New South Wales and Victoria must:
 - (a) ensure the direct participation by the Commission in each consultation referred to in sub-clause 25(1) or held under any varied consultation arrangements; and
 - (b) consult with the Commission before varying existing consultation arrangements.

26. Notifications Required

- (1) Each Contracting Government must, at the time specified by the Commission, notify the Commission of such water volumes and estimates as are reasonably requested by the Commission to enable it to make calculations referred to in this Schedule.
- (2) The Commission must, at any time specified by New South Wales, notify New South Wales of such water volumes and estimates calculated by the Commission by reference to the Baseline Conditions as are reasonably requested by New South Wales, to enable New South Wales to calculate the Required Annual Release.

PART VII – ANALYTICAL MODELS

27. Developing Analytical Models

- (1) The Commission must develop an analytical model for determining, in the case of the River Murray System:
 - (a) storage volumes; and

- (b) total diversions,
that would have occurred under Baseline Conditions.
- (2) New South Wales must develop an analytical model for determining, in the case of the Murrumbidgee River System:
 - (a) storage volumes; and
 - (b) total diversions,
that would have occurred under Baseline Conditions.
- (3) An analytical model developed under this clause:
 - (a) must be the best model available to the Commission or New South Wales, from time to time, for the purpose of calculating the timing and quantity of the Relaxation Volume under Baseline Conditions; and
 - (b) must be tested against relevant historical data to determine the accuracy of the model.
- (4) New South Wales may at its own cost engage an independent auditor to evaluate whether the model developed under sub-clause 27(1) of this Schedule is:
 - (a) the best available to the Commission; and
 - (b) accurate.

PART VIII – OTHER PROVISIONS

28. Inter-Valley Water Transfers

- (1) To facilitate water transfers, the Commission may request New South Wales to release:
 - (a) Water Available to the Snowy-Murray Development to each or both of the Tumut River catchment and the Murrumbidgee River catchment; or
 - (b) Water Available to the Snowy-Tumut Development to the River Murray catchment upstream of Hume Dam.
- (2) If New South Wales agrees with the request made under sub-clause 28(1) of this Schedule, any inter-valley transfer referred to in sub-clause 28(1) must be converted into an allocation to New South Wales of water in Hume Reservoir.

SCHEDULE H APPLICATION OF AGREEMENT TO AUSTRALIAN CAPITAL TERRITORY

1. Interpretation

- (1) A reference to a State, a State Government or a public authority of a State in a clause of the Agreement which, by this Schedule, applies to the Australian Capital Territory, includes a reference to the Australian Capital Territory or the Australian Capital Territory Government or a public authority of the Australian Capital Territory, as the case requires.
- (2) Sub-clause 1(1) applies, subject to this Schedule.

2. Australian Capital Territory to be a contracting party

The Australian Capital Territory shall become a party to the Agreement on the terms set out in this Schedule.

3. Application of Agreement to the Australian Capital Territory

The provisions of the Agreement apply to the Australian Capital Territory except:

- (a) for those provisions declared not to apply by this Schedule; and
- (b) to the extent that provisions are modified by this Schedule; and
- (c) where the Ministerial Council or the Commission determines that a provision does not apply, pursuant to clause 6 of this Schedule.

4.

For the purposes of this Schedule, a reference in clause 3 or 13 of Schedule C to "Queensland" or

"the State of Queensland" must be taken as including a reference to the Australian Capital Territory.

5. Provisions not applying to the Australian Capital Territory

(1) Parts X, XI and XII of the Agreement do not apply to the Australian Capital Territory.

(2) Sub-clauses 38(1) and 38(3) of the Agreement only apply to the Australian Capital Territory in respect of an act, omission or loss incurred in relation to the bona fide execution of powers:

- (a) in or related to the Australian Capital Territory; or
- (b) under a provision of the Agreement as it applies to the Australian Capital Territory.

(3) Insofar as any provision of the Agreement bears on any of the following matters, it does not apply to the Australian Capital Territory:

(a) Any matter concerning the design, execution, construction, funding, operation, maintenance, alteration or replacement of any works, measures, policies or strategies solely associated with the management of the River Murray and River Murray in South Australia.

(b) Any liability of the Commission, any Commissioner or Deputy Commissioner, any officer of the Commission, any Contracting Government or any Constructing Authority in respect of:

- (i) any matter referred to in paragraph 5(3)(a); or
- (ii) any matter arising under a provision of the Agreement which the Ministerial Council or Commission has determined does not apply to the Australian Capital Territory under clause 6 or clause 10.

[Explanatory note: The parties intend that the Australian Capital Territory should not be involved in, contribute financially towards, or incur any liability resulting from, the water management activities of River Murray Water or similar activities by or for the Ministerial Council under that Intergovernmental Agreement. On the other hand, the parties do intend that the Australian Capital Territory should be involved in, contribute financially towards and may incur liabilities resulting from, the Living Murray Initiative except to the extent that such liabilities are otherwise negated by the Agreement including this Schedule H and the

(4) Nothing in the Agreement requires the Australian Capital Territory:

(a) to contribute to the costs of or associated with remedying, any actual or anticipated damage referred to in paragraph 51(1)(c) of the Agreement; or

(b) to meet any compensation for damage paid under clause 83 of the Agreement, except where the Australian Capital Territory has contributed to the construction, maintenance or operation expenses of the works to which the costs or compensation relate.

6. Powers of Ministerial Council and Commission to make determinations

(1) The Ministerial Council or the Commission, as the case may be, may:

(a) determine that a provision of the Agreement does not apply to the Australian Capital Territory, either generally or in relation to a particular matter or class of matter; and

(b) revoke any such determination made by it.

(2) The Ministerial Council may, at any time, direct that any determination made by the Commission under paragraph 6(1)(a) is deemed to have been:

(a) revoked; or

(b) altered in any way directed by the Ministerial Council.

(3) The Commission must give effect to any determination made by the Ministerial Council under paragraph 6(1)(a).

7. Factors to be considered by Ministerial Council or Commission

(1) In making a determination under sub-clause 6(1) or 6(2), the Ministerial Council or the Commission must apply the guidelines set out in subclause 7(2), unless the Ministerial Council or the Commission, as the case may be, determines otherwise.

(2) A provision should not apply to the Australian Capital Territory unless:

- (a) issues arising under that provision are likely to cause a significant benefit or a significant detriment to the Australian Capital Territory; or
- (b) any decisions or actions taken within the Australian Capital Territory without reference to that provision might cause significant benefit or significant detriment to any part of the Murray-Darling Basin within the Australian Capital Territory; or
- (c) the Government of the Australian Capital Territory has incurred or may incur any financial obligation as a result of that provision.

8. Australian Capital Territory appointments

(1) The reference in clause 15 of the Agreement to "the Premier of each other Contracting Government" shall be taken to include a reference to the Chief Minister of the Australian Capital Territory.

(2) Sub-clause 20(2) of the Agreement shall not apply to the Australian Capital Territory. Instead, the Executive of the Australian Capital Territory shall appoint one Commissioner who represents water, land and environmental resource management and two Deputy Commissioners who, between them, represent water, land and environmental resource management.

(3) For the purposes of this Schedule, a reference in sub-clause 28(3), 29(3), 29(4), 30(2) and 38(2) of this Agreement to the Governor of a State shall be taken to be a reference to the Executive of the Australian Capital Territory.

9. Quorum where provisions do not apply to the Australian Capital Territory

(1) The quorum of the Ministerial Council for debating any issue, or considering or making any resolution on an issue, related to:

- (a) any provision of the Agreement; or
- (b) to any policy, determination or decision of the Ministerial Council,

which does not apply, in whole or in part, to the Australian Capital Territory by virtue of this Schedule, does not include any Minister from the Government of the Australian Capital Territory.

(2) The quorum of the Commission for debating any issue, or considering or making any resolution on an issue, related to:

- (a) any provision of the Agreement; or
- (b) to any policy, determination or decision of the Ministerial Council or the Commission,

which does not apply, in whole or in part, to the Australian Capital Territory by virtue of this Schedule, does not include any Commissioner appointed by the Executive of the Australian Capital Territory

(3) A person who is not included in a quorum may not vote on any resolution referred to in sub-clause 9(1) or 9(2), as the case requires.

(4) The text of any resolution referred to in:

- (a) sub-clause 9(1) for which approval is sought under clause 13 of the Agreement, need not be referred to or approved by any Minister from the Government of the Australian Capital Territory; or
- (b) sub-clause 9(2) for which approval is sought under clause 33 of the Agreement, need not be referred to or approved by any Commissioner appointed by the Executive of the Australian Capital Territory.

10. Application of previous Ministerial Council decisions to the Australian Capital Territory

(1) Except as provided in this clause, every policy, determination or decision made by the

Ministerial Council before the Ministerial Council approves this Schedule, in relation to any provision or matter which, by virtue of the Schedule, applies in whole or in part to the Australian Capital Territory, applies to the Australian Capital Territory.

(2) Within 12 months after the date upon which the Ministerial Council approves this Schedule, or such longer period as the Ministerial Council may allow, the Australian Capital Territory may propose to the Commission that a policy, determination or decision of the Ministerial Council referred to in sub-clause 10(1):

- (a) should apply to the Australian Capital Territory; or
- (b) should only apply to the Australian Capital Territory with modifications; or
- (c) should not apply to the Australian Capital Territory.

(3) The Commission shall consider any proposal made under sub-clause 10(2) and may make such recommendations to the Ministerial Council about the proposal, as it thinks fit.

(4) The Ministerial Council, after considering any recommendations made by the Commission, may either:

- (a) adopt the proposal, with or without amendments; or
- (b) reject the proposal.

(5) Any policy, determination or decision referred to in sub-clause 10(1), which is not mentioned in a proposal as adopted by the Ministerial Council under sub-clause 10(4), ceases to apply to the Australian Capital Territory on the day on which that proposal is adopted by the Ministerial Council.

Schedule 2 The Amending Agreement

MURRAY-DARLING BASIN AMENDING AGREEMENT

The Murray-Darling Basin Amending Agreement made the third day of June two thousand and two.

BETWEEN

THE COMMONWEALTH OF AUSTRALIA (the "

THE STATE OF NEW SOUTH WALES ("

THE STATE OF VICTORIA ("

THE STATE OF SOUTH AUSTRALIA ("

WHEREAS on 24 June 1992 the Commonwealth, New South Wales, South Australia and Victoria entered into the Murray-Darling Basin Agreement which was ratified by the Parliament of the Commonwealth and the Parliaments of the said States and subsequently amended (the "**Principal Agreement**" ");

AND WHEREAS under the provisions of clause 134 of the Principal Agreement the State of Queensland (" **Queensland** " ") became a party to the Principal Agreement on the terms and conditions set out in Schedule D to the Principal Agreement;

AND WHEREAS clause 3 of Schedule D provides that certain provisions of the Principal Agreement do not apply to Queensland;

AND WHEREAS the Commonwealth, New South Wales, South Australia and Victoria wish to:

- (a) amend certain provisions of the Principal Agreement which do not apply to Queensland; and
- (b) add a further Schedule G to the Principal Agreement, which will not apply to Queensland,

to make new arrangements for sharing water made available in the River Murray catchment above Hume Dam by the Snowy Scheme;

THE PARTIES AGREE AS FOLLOWS

(1)

In the following clauses of this Agreement, " " means the Principal Agreement.

(2)

Clause 2 of the Agreement is amended--

- (a) by omitting the definition of " **Authority** " ;
- (b) by inserting the following definition--
" means the quantity of water that would have flowed in a river past a particular point in a particular period but for the effect during that period of diversions to or from, and impoundments on, the river upstream of that point;" ;
- (c) by omitting the definition of " **period of restriction** " ; and
- (d) by omitting the definition of " **Snowy Mountains Agreement** " .

(3)

Clause 46 of the Agreement is amended by adding the following sub-clause--

"(4) Despite sub-clause 46(3), sub-clauses 46(1) and 46(2) apply to any proposal referred to in clause 24 of Schedule G."

(4)

Clause 91 of the Agreement is amended as follows--

- (a) by omitting paragraph (b) of sub-clause (1) and inserting the following paragraph in its stead--
"(b) half the natural flow at Doctors Point;" ; and
- (b) by deleting from paragraph (c) of sub-clause (1) the word "and"; and
- (c) by inserting in paragraph (d) of sub-clause (1), after the word "Point" the word "and"; and
- (d) by adding to sub-clause (1) a paragraph--
"(e) half of the volume of water calculated in accordance with clause 8 of Schedule G."

(5)

Clause 98 of the Agreement is amended--

- (a) by omitting paragraph (d) and inserting the following paragraph in its stead--
"(d) the estimated natural flow of the River Murray at Doctors Point before the end of the following May;" ; and
- (b) by omitting paragraph (e) and inserting the following paragraph in its stead--
"(e) water calculated in accordance with clause 9 of Schedule G;" .

(6)

Clause 103 of the Agreement is amended by omitting sub-clause (1) and inserting the following sub-clause in its stead--

"(1) In respect of any period--

(a) the natural flow of the River Murray at Doctors Point; and
(b) the volume of water calculated in accordance with clause 10 of Schedule G, must be allocated between New South Wales and Victoria as provided in sub-clause 103(2).".

(7)

Clause 105 of the Agreement is amended--

(a) by inserting the number "(1)" after the number "105"; and

(b) by adding the following sub-clauses--

"(2) The volume of water calculated in accordance with sub-clause 11(1) of Schedule G is allocated to New South Wales.

(3) The volume of water calculated in accordance with sub-clause 11(2) of Schedule G is allocated to Victoria.".

(8)

Clause 106 of the Agreement is omitted and the following clause inserted in its stead--

"106. New South Wales and Victoria are respectively deemed to use the quantity of water--

(a) diverted from the upper River Murray by an offtake under the jurisdiction of that State, unless the Commission determines otherwise; and

(b) calculated under sub-clause 12(1) of Schedule G, in the case of New South Wales; and

(c) calculated under sub-clause 12(2) of Schedule G, in the case of Victoria.".

(9)

Clause 107 of the Agreement is omitted.

(10)

Clause 112 of the Agreement is omitted.

(11)

Clause 122 of the Agreement is amended by omitting sub-clause (3).

(12)

Part XII of the Agreement is amended by omitting from the heading of that Part the words "MOUNTAINS AGREEMENT" and inserting in their stead the word "SCHEME".

(13)

Clause 132 of the Agreement is deleted and the following clause inserted in its stead--

"132. The Commission must determine the respective allocations to New South Wales and Victoria of water made available from the Snowy Scheme for the purposes of this Agreement, in the manner set out in Schedule G.".

(14)

The Agreement is amended by inserting after Schedule F the following new Schedule--

SCHEDULE G EFFECT OF SNOWY SCHEME

PART I – PRELIMINARY

1. Purpose The purpose of this Schedule is to make arrangements for sharing between New South Wales, South Australia and Victoria of water made available in the catchment

of River Murray above Hume Dam by the Snowy Scheme.

2. Definitions In this Schedule:

(1) " means:

- (a) the infrastructure supplying water;
- (b) the rules for allocating water and for water management systems applying;
- (c) the operating efficiency of water management systems; and
- (d) existing entitlements to take and use water and the extent to which those entitlements were used,

within the Murray-Darling Basin as at the Corporatisation Date;

(2) " means the date on which the *Snowy Mountains Hydro-electric Power Act 1949* (Cth) is repealed by the *Snowy Hydro Corporatisation Act 1997* (Cth);

(3) " means:

- (a) a category of environmental water referred to in section 8 of the *Water Management Act 2000* (NSW); and
- (b) a bulk entitlement granted under the *Water Act 1989* (Vic) that includes conditions relating to environmental purposes;

in both cases comprising a volume of water derived from either or both of Water Savings and Water Entitlements;

(4) " means the Broken, Goulburn, Campaspe and Loddon Rivers and the water supply systems supplied by those rivers;

(5) " means the licensee under the Snowy Water Licence;

(6) " means the long term diversion cap for the State of New South Wales or the State of Victoria under clauses 4 and 5 respectively of Schedule F;

(7) " means the Darling River and its anabranch system from the upstream extent of the Menindee Lakes Storage and downstream and the water supply systems supplied by that River;

(8) " means calendar month and " means each calendar month;

(9) " means the water account to be maintained by the Licensee under the Snowy Water Licence to account for flows made under the Snowy Water Licence from the Mowamba River and Cobbon Creek in the first three years after the Corporatisation Date;

(10) " means the Murrumbidgee River and the water supply systems supplied by that river;

(11) " has the same meaning as in the Snowy Water Licence as at the Corporatisation Date;

(12) " with respect to a supply of water means the statistical probability of being able to supply a particular volume in any Water Year;

(13) " has the same meaning as in the Snowy Water Licence taken as a whole as at the Corporatisation Date. For the avoidance of doubt, "Required Annual Release" is not a reference to "Agreed Annual Release" under that Licence and a change to the Snowy Water Licence after the Corporatisation Date will not affect the calculation of Required Annual Releases for the purposes of this Schedule;

(14) " means, in any Water Year, the volume by which the Required Annual Release from the Snowy-Murray Development in that Water Year exceeds the actual release from the Snowy Scheme to the catchment of the River Murray upstream of Hume Dam in that Water Year;

(15) " means, in any Water Year, water that is released from the Snowy Scheme to the catchment of the River Murray upstream of Hume Dam in excess of the Required Annual Release from the Snowy-Murray Development in that Water Year;

(16) " with respect to each Water Year means the annual allocation from the River

- Murray Apportioned Entitlement determined by New South Wales;
- (17) " means the volume of water from the Environmental Entitlements that is apportioned to the River Murray Increased Flows by New South Wales;
- (18) " means releases of water from major storages made by the Commission in accordance with Part V of this Schedule;
- (19) " means the water accounts to be maintained by the Commission under clause 21 of this Schedule;
- (20) " means the water account to be maintained by the Commission under paragraph 21(1)(b) of this Schedule;
- (21) " means the aggregate of:
- (a) the River Murray;
 - (b) all tributaries entering the River Murray upstream of Doctors Point;
 - (c) the Ovens River; and
 - (d) the Lower Darling River System;
- (22) " with respect to the water to which an entitlement refers means:
- (a) for that part of the entitlement whose availability is determined by reference to seasonal allocations: the final seasonal allocation announcement of the relevant State during the previous Water Year; and
 - (b) for that part of the entitlement whose availability is determined by reference to the entitlement of South Australia: the allocated volume received during the previous Water Year by South Australia as a proportion of its entitlement during that Water Year under this Agreement;
- (23) " means releases of water made by the Licensee to montane rivers under the environmental flow requirements of the Snowy Water Licence which would have flowed through either:
- (a) the Murray 1 Power Station in the case of the Snowy-Murray Development; or
 - (b) Jounama Pondage in the case of the Snowy-Tumut Development,
- if it were not released for environmental purposes;
- (24) " means the component of the Snowy Scheme comprising works that regulate the waters of the Upper Snowy River, the Geehi River and Bogong Creek;
- (25) " means the annual allocation for any Water Year for the Snowy-Murray Development determined by New South Wales by reference to the Seasonal Availability of the water contained in the Snowy-Murray Development Designated Entitlement;
- (26) " means that part of the Environmental Entitlements designated against the Snowy-Murray Development by New South Wales;
- (27) " means both:
- (a) a category of environmental water referred to in section 8 of the *Water Management Act 2000* (NSW); and
 - (b) a bulk entitlement granted under the Water Act 1989 (Vic) that includes conditions relating to the protection of the environment,
- in both cases comprising a volume of water derived from either or both of Water Savings and Water Entitlements sourced from the River Murray System or the Goulburn River System;
- (28) " means:
- (a) in the case of the Snowy-Murray Development: the calculated active volume of water belonging to the Snowy-Murray Development stored in Eucumbene Reservoir exceeding 2,019 GL and accounted as a loss from the Snowy-Murray Development and a gain to the Snowy-Tumut Development;
 - (b) in the case of Snowy-Tumut Development: the calculated active

volume of water belonging to the Snowy-Tumut Development stored in Eucumbene Reservoir exceeding 2,348 GL and accounted as a loss from the Snowy-Tumut Development and a gain to the Snowy-Murray Development;

(29) " means the Snowy River downstream of Jindabyne Dam;

(30) " means the annual allocation from the Snowy River Apportioned Entitlement for any Water Year, determined by New South Wales;

(31) " means the volume of water from the Environmental Entitlements apportioned to environmental flows from the Snowy Scheme to the Snowy River, by New South Wales;

(32) " means the dams, tunnels, power stations, aqueducts and other structures that comprise the Snowy-Murray Development and the Snowy-Tumut Development, that together are known as the Snowy Mountains Hydro-electric Scheme;

(33) " means the component of the Snowy Scheme comprising works that regulate the waters of the Eucumbene River, the Tooma River, the Upper Murrumbidgee River and the Upper Tumut River;

(34) " with respect to each Water Year means the annual allocation for the Snowy-Tumut Development determined by New South Wales by reference to the Seasonal Availability of the water contained in the Snowy-Tumut Development Designated Entitlement;

(35) " means that part of the Environmental Entitlements designated against the Snowy-Tumut Development by New South Wales;

(36) " means the licence issued under Part 5 of the *Snowy Hydro Corporatisation Act 1997* (NSW);

(37) " means the strategy for retaining and releasing River Murray Increased Flows determined under paragraph 20(1)(a) of this Schedule;

(38) " means the translation factors used to convert Water Savings and Water Entitlements into an Environmental Entitlement with specified Reliability;

(39) " means the Snowy River upstream of Jindabyne Dam (including the Mowamba River and the Cobbon Creek) but excluding the Eucumbene River;

(40) " means:

(a) an access licence granted under the *Water Management Act 2000* (NSW); and

(b) a water right, licence to take and use water or bulk entitlement under the Water Act 1989 (Vic) together with any transferable allocation of sales water made to the holder of such a water right or licence,

in either case purchased for the purpose of achieving either or both of:

(c) environmental flows from the Snowy Scheme; and

(d) River Murray Increased Flows;

(41) " means, with respect to a Water Entitlement, the market from which the relevant Water Entitlement is drawn;

(42) " means the volume of water saved through one or more projects that saves water:

(a) by reducing transmission losses, evaporation or system inefficiencies; or

(b) by achieving either or both of water management and environmental improvements,

for diversions from the River Murray System and either or both of Murrumbidgee River System and the Goulburn River System for the purpose of achieving:

(c) environmental flows from the Snowy Scheme; and

(d) River Murray Increased Flows;

(43) " means the period of 12 Months commencing on 1 May in each year.

PART II – CALCULATING WATER VOLUMES

3. The Snowy Scheme And The River Murray

(1) In this Agreement, " means:

	Water of the Upper Snowy River regulated by the Snowy Scheme
PLUS	water of the Geehi River and Bogong Creek regulated by the Snowy Scheme
PLUS	any Snowy Notional Spill from the Snowy-Tumut Development to the Snowy-Murray Development
PLUS	the transfer from the Snowy-Tumut Development to the Snowy-Murray Development of the Snowy-Tumut Development Annual Allocation
PLUS	4.5 GL per Water Year transferred from the Snowy-Tumut Development to the Snowy-Murray Development
PLUS	half of the balance of the Mowamba Borrowings Account
MINUS	any Snowy Notional Spill from the Snowy-Murray Development to the Snowy-Tumut Development.

(2) In this Agreement, " means the volume of water calculated as follows:

	Water Available to the Snowy-Murray Development released by the Snowy Scheme to the catchment of the River Murray upstream of Hume Dam
MINUS	the water of the Tooma River regulated by the Snowy Scheme
MINUS	the natural flows of the Geehi River and Bogong Creek regulated by the Snowy Scheme.

(3) In this Agreement, " means the volume of Water Available to the Snowy-Murray Development released by the Snowy Scheme to the catchment of the Murrumbidgee River.

4. The Snowy Scheme And The Murrumbidgee River

(1) In this Agreement, " means:

	The water of the Eucumbene River, the Tooma River, the Upper Murrumbidgee River and the Upper Tumut River regulated by the Snowy Scheme
PLUS	any Snowy Notional Spill from the Snowy-Murray Development to the Snowy-Tumut Development
MINUS	half of the balance of the Mowamba Borrowings Account
MINUS	any Snowy Notional Spill from the Snowy-Tumut Development to the Snowy-Murray Development
MINUS	the transfer from the Snowy-Tumut Development to the Snowy-Murray Development of the Snowy-Tumut Development Annual Allocation
MINUS	4.5 GL per Water Year transferred from the Snowy-Tumut Development to the Snowy-Murray Development.

(2) In this Agreement, " means the volume of Water Available to the Snowy-Tumut Development released by the Snowy Scheme to the catchment of the River Murray upstream of Hume Dam.

5. Excess Snowy River Releases In this Agreement, " means the greater of zero and the volume of water calculated as follows:

	The regulated releases made to the Snowy River in the relevant Water Year, measured immediately below the confluence of the Snowy River and the Mowamba River
MINUS	9 GL

S	
MINUS	the Snowy River Annual Allocation in the relevant Water Year
MINUS	the change in the balance of the Mowamba Borrowings Account during the relevant Water Year.

6. Snowy River Release Shortfalls In this Agreement, " " means the greater of zero and the volume of water calculated as follows:

	The Snowy River Annual Allocation in the relevant Water Year
PLUS	9 GL
PLUS	the change in the balance of the Mowamba Borrowings Account from the commencement to the end of the relevant Water Year
MINUS	the regulated releases made to the Snowy River in the relevant Water Year, measured immediately below the confluence of the Snowy River and the Mowamba River.

7. Accounting For Water Releases For the purposes of this Agreement, water releases from the Snowy-Murray Development to the catchment of the River Murray upstream of Hume Dam are to be accounted as:

- (1) water releases as at Murray 1 Power Station; and
 - (2) any water that would have passed through the Murray 1 Power Station but does not:
 - (a) for operational reasons; or
 - (b) because it is released from the Snowy Scheme as Snowy Montane Rivers External Increased Flows,
- and that flows into the catchment of the River Murray upstream of Hume Dam.

PART III – WATER ACCOUNTING

8. Entitlements Of New South Wales And Victoria To Use Water The volume of water referred to in paragraph 91(1)(e) of the Agreement is calculated as follows:

	The Net Snowy-Murray Development Diversions to the River Murray
PLUS	Murray to Murrumbidgee Inter-Valley Transfers
PLUS	the Required Annual Release Shortfall
PLUS	the Snowy-Murray Development Annual Allocation
PLUS	Excess Snowy River Releases in excess of the volume of the Snowy River Release Shortfall in the previous Water Year
MINUS	At the discretion of the Commission, Murrumbidgee to Murray Inter-Valley Transfers
MINUS	the Required Annual Release Shortfall from the previous Water Year
MINUS	River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir.

9. Water Estimated To Be Under The Control Of The Commission Water referred to in paragraph 98(e) of the Agreement is estimated as follows:

	The Net Snowy-Murray Development Diversions to the River Murray
PLUS	Murray to Murrumbidgee Inter-Valley Transfers
PLUS	the Required Annual Release Shortfall
PLUS	the Snowy-Murray Development Annual Allocation
PLUS	Excess Snowy River Releases in excess of the volume of the Snowy River Release Shortfall in the previous Water Year
MINUS	at the discretion of the Commission, Murrumbidgee to Murray Inter-Valley Transfers

S	
MINUS	the Required Annual Release Shortfall from the previous Water Year
MINUS	River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir,

in each case before the end of the following May.

10. Allocation of Water to New South Wales and Victoria The volume of water referred to in paragraph 103(1)(b) of the Agreement is calculated as follows:

	The Net Snowy-Murray Development Diversions to the River Murray
PLUS	Murray to Murrumbidgee Inter-Valley Transfers
PLUS	the Required Annual Release Shortfall
PLUS	the Snowy-Murray Development Annual Allocation
PLUS	Excess Snowy River Releases in excess of the volume of the Snowy River Release Shortfall in the previous Water Year
MINUS	at the discretion of the Commission, Murrumbidgee to Murray Inter-Valley Transfers
MINUS	the Required Annual Release Shortfall from the previous Water Year
MINUS	River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir.

11. Tributary Inflows

(1) The volume of water referred to in sub-clause 105(2) of the Agreement is calculated as follows:

	The component of the Required Annual Release Shortfall from the previous Water Year allocated to New South Wales under sub-clause 13(2) of this Schedule
PLUS	half of the River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir
PLUS	half of the Excess Snowy River Release up to the volume of half of the Snowy River Release Shortfall in the previous Water Year for which an adjustment was made under sub-clauses 11(2) and 12(1) of this Schedule in the previous Water Year
PLUS	at the discretion of the Commission, Murrumbidgee to Murray Inter-Valley Transfers.

(2) The volume of water referred to in sub-clause 105(3) of the Agreement is calculated as follows:

	The component of the Required Annual Release Shortfall from the previous Water Year allocated to Victoria under sub-clause 13(2) of this Schedule
PLUS	half of the River Murray Above Target Releases allocated to the River Murray Increased Flows received by Hume Reservoir
PLUS	half of the Snowy River Release Shortfall, unless Victoria has previously advised the Commission that Victoria waives this element of its allocation in any Water Year.

12. Use By New South Wales And Victoria Of Allocated Water

(1) The quantity of water referred to in paragraph 106(b) of the Agreement is calculated as follows:

	Murray to Murrumbidgee Inter-Valley Transfers
PLUS	Excess Snowy River Releases in excess of the volume of the Snowy River Release Shortfall in the previous Water Year
PLUS	the Snowy-Murray Development Annual Allocation sourced from New South Wales

S	
PLU S	the component of the Required Annual Release Shortfall allocated to New South Wales under sub-clause 13(1) of this Schedule
PLU S	unless otherwise agreed with Victoria, half of the Snowy River Release Shortfall.

(2) The quantity of water referred to in paragraph 106(c) of the Agreement is calculated as follows:

	The Snowy-Murray Development Annual Allocation sourced from Victoria
PLU S	the component of the Required Annual Release Shortfall allocated to Victoria under sub-clause 13(1) of this Schedule
PLU S	half of the Excess Snowy River Release up to the volume of half of the Snowy River Release Shortfall in the previous Water Year for which an adjustment was made under sub-clauses 11(2) and 12(1) of this Schedule in the previous Water Year, (such adjustments to reflect any waiver or agreement with Victoria as referred to in those sub-clauses).

13. Required Annual Release Shortfalls

(1) If at the end of a Water Year there is a Required Annual Release Shortfall, the Required Annual Release Shortfall is to be accounted for by the Commission in accordance with Table One.

TABLE ONE: WATER ACCOUNTING AND REQUIRED ANNUAL RELEASE SHORTFALLS

TYPE OF WATER YEAR	ARRANGEMENT WITH RESPECT TO REQUIRED ANNUAL RELEASE SHORTFALL	WATER ACCOUNTING OUTCOMES
Water Year during which a period of special accounting is not in effect	Victoria agrees to the Required Annual Release Shortfall	New South Wales and Victoria deemed to each have used the Required Annual Release Shortfall as agreed
	Victoria does not agree to the Required Annual Release Shortfall	New South Wales deemed to have used the whole of the Required Annual Release Shortfall
Water Year during which a period of special accounting is in effect	Victoria and the Commission agree to the Required Annual Release Shortfall	New South Wales and Victoria deemed to each have used the Required Annual Release Shortfall as agreed
	The Commission does not agree to the Required Annual Release Shortfall	New South Wales deemed to have used the whole of the Required Annual Release Shortfall

(2) The volume of any Required Annual Release Shortfall from the previous Water Year must be allocated equally between New South Wales and Victoria until the balance of Required Annual Release Shortfalls for either State is zero and thereafter wholly to the other State.

14. Other Water Accounting Provisions

(1) Where under this Schedule the Commission is required to adjust accounts in connection with the Snowy-Murray Development Annual Allocation, it must make those adjustments in equal Monthly quantities.

(2) Where under this Schedule the Commission is required to adjust accounts in connection with inter-valley transfer, it must make those adjustments in equal

Monthly quantities during the balance of the Water Year in which New South Wales notifies the Commission of the relevant inter-valley transfer.

(3) Each release of River Murray Increased Flows must be allocated half to New South Wales and half to Victoria.

PART IV – SNOWY-MURRAY DEVELOPMENT (RIVER MURRAY) ENVIRONMENTAL ENTITLEMENTS

15. Translation Factors

(1) New South Wales and Victoria must each transfer Water Savings and Water Entitlements to its respective Snowy-Murray Development (River Murray) Environmental Entitlement in accordance with Translation Factors agreed between each of them and the Commission.

(2) New South Wales, Victoria and the Commission must ensure that:

(a) the Translation Factors are determined in a manner consistent with the principles used to determine exchange rates in the relevant Water Market at the time of each transfer under sub-clause 18(2) of this Schedule; and

(b) the use of Translation Factors to transfer Water Savings and Water Entitlements to a Snowy-Murray Development (River Murray)

Environmental Entitlement will not have a significant adverse impact on:

(i) the level of Reliability of entitlements to water diverted from the River Murray System, the Murrumbidgee River System and the Goulburn River System;

(ii) the environmental benefits related to the quantity and timing of water flows for environmental purposes in the River Murray System, the Murrumbidgee River System and the Goulburn River System;

(iii) the Seasonal Availability of the entitlement to be received during that Water Year by South Australia under this Agreement; and

(iv) water quality in the River Murray in South Australia.

16. Apportionment Of Environmental Entitlements New South Wales and Victoria must notify the Commission of how each Environmental Entitlement has been apportioned between:

(1) the Snowy River Apportioned Entitlement; and

(2) the River Murray Apportioned Entitlement.

17. Valley Accounts If:

(1) New South Wales or Victoria transfers either or both of Water Savings and Water Entitlements to an Environmental Entitlement; and

(2) the source of that water is from a valley for which the Commission maintains a valley account,

New South Wales or Victoria (as the case may be) must notify the Commission of the volume and reliability of the entitlement required to be added to the relevant valley account to generate the Environmental Entitlement.

18. Long Term Diversion Caps

(1) Prior to New South Wales or Victoria transferring either or both of Water Savings and Water Entitlements to an Environmental Entitlement, the relevant State must calculate the equivalent volume by which its Long Term Diversion Cap must be reduced.

(2) If New South Wales or Victoria transfers either or both of Water Savings and Water Entitlements to an Environmental Entitlement, at the same time the relevant State must advise the Commission of its calculation as to the volume by

which its Long Term Diversion Cap must be reduced.

(3) If the Commission is satisfied with the appropriateness of a calculation advised under sub-clause 18(2), it must recommend to the Ministerial Council that the relevant Long Term Diversion Cap be amended in accordance with the calculation.

(4) If the Commission is not satisfied with the appropriateness of a calculation advised under sub-clause 18(2), the Commission must arrange for the relevant volume referred to in sub-clause 18(1) to be re-calculated in consultation with the relevant State.

(5) If a majority of the Commissioners is satisfied with the appropriateness of a calculation made under sub-clause 18(4), the Commission must recommend to the Ministerial Council that the relevant Long Term Diversion Cap be amended in accordance with the calculation.

(6) Despite paragraph 8(b) of Schedule F, the Ministerial Council must amend a Long Term Diversion Cap in accordance with any recommendation made by the Commission under sub-clause 18(3) or 18(5).

PART V – RIVER MURRAY INCREASED FLOWS

19. Obligation Of Commission To Make River Murray Increased Flows Subject to this Part, the Commission must release River Murray Increased Flows.

20. Environmental Objectives And Strategy For River Murray Increased Flows

(1) Before the commencement of the second complete Water Year after the Corporatisation Date, the Ministerial Council must determine:

(a) a strategy for retaining and releasing River Murray Increased Flows to be implemented by the Commission; and

(b) the environmental objectives for the River Murray Increased Flows, in accordance with the provisions of this clause.

(2) The Strategy:

(a) must include a provision to the effect that River Murray Increased Flows have first priority from River Murray Above Target Releases;

(b) may provide that water credited to the River Murray Increased Flows in Commission Storages Account need not be released during the Water Year in which it is credited;

(c) unless the Ministerial Council otherwise determines, must not have a significant adverse impact upon the security of entitlements to water;

(d) must integrate the environmental objectives for the River Murray Increased Flows with other environmental initiatives on the River Murray;

(e) must include adaptive management principles to allow the ability to optimise environmental benefits; and

(f) must prescribe appropriate environmental reporting and monitoring conditions.

(3) The Ministerial Council must determine the environmental objectives and Strategy in accordance with the following principles:

(a) Natural diversity of habitats and biota within the river channel, riparian zone and the floodplain should be maintained or enhanced.

(b) Natural linkages between the river and the floodplain should be maintained or enhanced.

(c) Natural metabolic functioning of aquatic ecosystems should be maintained or enhanced.

(d) Elements of the natural flow regime, in particular, seasonality should be retained or enhanced as far as possible, in the interests of conserving a niche for native rather than invasive exotic species and in maintaining the

natural functions of the river.

(e) Consistent and constant flow and water level regimes should be avoided where practical, as this is contrary to the naturally variable flow regime of the River Murray.

(f) The general principles of ecosystem services should be recognised.

(g) Environmental benefit should be optimised.

(4) The Ministerial Council may from time to time by resolution amend the environmental objectives and the Strategy.

(5) As soon as practicable after the end of each Water Year, the Commission must report to the Contracting Governments on the environmental outcomes of the River Murray Increased Flows during that Water Year, in the light of the objectives determined by the Ministerial Council for those Increased Flows.

21. Commission To Maintain River Murray Increased Flows Accounts

(1) The Commission must maintain continuous water accounts of the River Murray Increased Flows to be known as:

(a) the Initial River Murray Increased Flows Account; and

(b) the River Murray Increased Flows in Commission Storages Account.

(2) The Commission must:

(a) credit the Initial River Murray Increased Flows Account with the River Murray Annual Allocation notified by New South Wales;

(b) transfer from the Initial River Murray Increased Flows Account to the River Murray Increased Flows in Commission Storages Account, River Murray Above Target Releases allocated to the River Murray Increased Flows in accordance with the Strategy;

(c) record in the River Murray Increased Flows in Commission Storages Account the transfer of water in that account between Commission storages; and

(d) record in the River Murray Increased Flows in Commission Storages Account the release of River Murray Increased Flows from Commission storages.

(3) The River Murray Increased Flows Accounts must be independently audited unless the Commission by resolution declares otherwise.

(4) As soon as practicable after the completion of each audit, the Commission must send a copy of the audited River Murray Increased Flows Accounts to the Contracting Governments.

22. Implementing the Strategy The Commission must commence to implement the Strategy on the later of:

(1) the beginning of the second complete Water Year occurring after the Corporatisation Date; and

(2) the receipt by Hume Reservoir from the Snowy Scheme of River Murray Above Target Releases allocated to the River Murray Increased Flows.

23. Binding Effect of Strategy Despite any other provision in this Agreement, the Commission must:

(1) allocate River Murray Above Target Releases to the River Murray Increased Flows Accounts; and

(2) manage the water in and releases of water from the River Murray Increased Flows in Commission Storages Account,

in accordance with the Strategy.

PART VI – NOTIFICATION AND CONSULTATION PROVISIONS

24. Commission To Be Informed Of New Proposals A Contracting Government must inform the Commission of any proposal:

- (1) to achieve Water Savings or to purchase Water Entitlements for the purpose of transferring those Water Savings or Water Entitlements to the Environmental Entitlements; or
- (2) to modify the reliability of a supply of water pursuant to an Environmental Entitlement,

in accordance with sub-clause 46(4) of the Agreement.

25. Snowy Scheme Annual Water Operating Plan

(1) The parties acknowledge that as a result of provisions in the Snowy Water Licence and a deed between the Commonwealth, New South Wales and Victoria as at the Corporatisation Date, the Licensee is bound to consult with others, including the Commission, while developing each Annual Water Operating Plan and any variation to each Plan.

(2) The Commonwealth, New South Wales and Victoria must:

- (a) ensure the direct participation by the Commission in each consultation referred to in sub-clause 25(1) or held under any varied consultation arrangements; and
- (b) consult with the Commission before varying existing consultation arrangements.

26. Notifications Required

(1) Each Contracting Government must, at the time specified by the Commission, notify the Commission of such water volumes and estimates as are reasonably requested by the Commission to enable it to make calculations referred to in this Schedule.

(2) The Commission must, at any time specified by New South Wales, notify New South Wales of such water volumes and estimates calculated by the Commission by reference to the Baseline Conditions as are reasonably requested by New South Wales, to enable New South Wales to calculate the Required Annual Release.

PART VII – ANALYTICAL MODELS

27. Developing Analytical Models

(1) The Commission must develop an analytical model for determining, in the case of the River Murray System:

- (a) storage volumes; and
- (b) total diversions,

that would have occurred under Baseline Conditions.

(2) New South Wales must develop an analytical model for determining, in the case of the Murrumbidgee River System:

- (a) storage volumes; and
- (b) total diversions,

that would have occurred under Baseline Conditions.

(3) An analytical model developed under this clause:

- (a) must be the best model available to the Commission or New South Wales, from time to time, for the purpose of calculating the timing and quantity of the Relaxation Volume under Baseline Conditions; and
- (b) must be tested against relevant historical data to determine the accuracy of the model.

(4) New South Wales may at its own cost engage an independent auditor to evaluate whether the model developed under sub-clause 27(1) of this Schedule is:

- (a) the best available to the Commission; and
- (b) accurate.

PART VIII – OTHER PROVISIONS

28. Inter-Valley Water Transfers

(1) To facilitate water transfers, the Commission may request New South Wales to release:

- (a) Water Available to the Snowy-Murray Development to each or both of the Tumut River catchment and the Murrumbidgee River catchment; or
- (b) Water Available to the Snowy-Tumut Development to the River Murray catchment upstream of Hume Dam.

(2) If New South Wales agrees with the request made under sub-clause 28(1) of this Schedule, any inter-valley transfer referred to in sub-clause 28(1) must be converted into an allocation to New South Wales of water in Hume Reservoir.

Schedule 3 Murray-Darling Basin Agreement Amending Agreement 2006

AGREEMENT made this fourteenth day of July 2006 between

THE COMMONWEALTH OF AUSTRALIA (the "**Commonwealth**"),

THE STATE OF NEW SOUTH WALES ("**New South Wales**"),

THE STATE OF VICTORIA ("**Victoria**"),

THE STATE OF QUEENSLAND ("**Queensland**"),

THE STATE OF SOUTH AUSTRALIA ("**South Australia**"), and

THE AUSTRALIAN CAPITAL TERRITORY ("**Australian Capital Territory**").

WHEREAS on 24 June 1992, the Commonwealth, New South Wales, Victoria and South Australia entered into the Murray-Darling Basin Agreement which:

- (a) was approved by the Parliament of the Commonwealth and the Parliaments of the said States; and
- (b) has subsequently been deemed to be amended from time to time under clause 50 or 134 of that Murray-Darling Basin Agreement; and
- (c) was amended by the Murray-Darling Basin Amending Agreement made on 3 June 2002,

(together called the "**Principal Agreement**"):

AND WHEREAS under the provisions of clause 134 of the Principal Agreement, Queensland became a party to the Principal Agreement on the terms set out in Schedule D to the Principal Agreement:

AND WHEREAS under the provisions of clause 134 of the Principal Agreement, that Agreement was amended in May 2006 by the decision of the Murray-Darling Basin Ministerial Council to consent to the Australian Capital Territory becoming a party to the Principal Agreement;

AND WHEREAS the parties wish to further amend the Principal Agreement to facilitate the operation of the Murray-Darling Basin Commission's water business on appropriate commercial

principles and for other reasons;

AND WHEREAS the Murray-Darling Basin Ministerial Council has approved the provisions set out below on 23 July 2003 and 30 September 2005:

THE PARTIES AGREE AS FOLLOWS:

1. – INTERPRETATION

In this agreement, a reference to a clause, sub-clause, paragraph, sub-paragraph, Schedule or Appendix is a reference to a clause, sub-clause, paragraph, sub-paragraph, Schedule or Appendix of or to the Principal Agreement, respectively.

2. – CLAUSE 2

(1)

Omit "67(1)(a)" from the definition of "annual estimates."

Insert instead "68(1)(a)".

(2)

Insert in alphabetical order:

" " means those activities of the Commission relating to:

(a) the construction, operation, maintenance and renewal of works on, adjacent to, or connected to the upper River Murray or the River Murray in South Australia; and

(b) the execution of the provisions of this Agreement concerning sharing water between State Contracting Governments; and

(c) the provision of other services relating to water, to State Contracting Governments and other persons;

" " means the twelve months beginning on 1 July;"

(3)

Omit all the words after "out" in the definition of " **Commonwealth auditor** ". Insert instead "an audit referred to in sub-paragraph 78(1)(a)(i)".

(4)

After the word "programs" in the definition of "measures" insert "(including any activities for the purpose of conserving or enhancing the environment) but does not include any activities of the Commission's water business".

(5)

Omit all the words after "out" in the definition of " **State auditor** ". Insert instead "an audit referred to in paragraph 78(1)(b)".

(6)

Omit the definition of " **supplementary estimates** " .

3. – CLAUSE 49

Omit clause 49. Insert instead:

"49

(1) Works or measures from time to time included in a Schedule to this Agreement or authorised pursuant to clause 50 must be constructed, operated, maintained, renewed or

implemented (as the case may require):

(a) in accordance with the provisions of this Agreement and any Acts approving the same; and

(b) by the Contracting Government from time to time nominated by the Ministerial Council for the purpose.

(2) A Contracting Government described as a "Nominated Government" in Schedule A with respect to a work is deemed to have been nominated by the Ministerial Council under paragraph 49(1)(b) to construct, operate, maintain and renew that work, until the Ministerial Council nominates another Contracting Government for one or more of those purposes, with respect to that work."

4. – CLAUSE 50

(1)

After "\$2,000,000" in sub-clause (2) insert ", or such other amount determined by the Ministerial Council from time to time".

(2)

After "\$2,000,000" in sub-clause (3) insert ", or such other amount determined by the Ministerial Council from time to time".

5. – CLAUSE 51

After "\$1,000,000" in sub-clause (2) insert ", or such other amount determined by the Ministerial Council from time to time".

6. – CLAUSE 52

After "\$2,000,000" in sub-clause (5) insert ", or such other amount determined by the Ministerial Council from time to time".

7. – CLAUSE 54

After "\$2,000,000" in sub-clause (1) insert ", or such other amount determined by the Ministerial Council from time to time".

8. – CLAUSE 55

(1)

Omit the words "construction or maintenance" from paragraph (3)(a). Insert instead:

":

(i) investigations, construction and administration; or

(ii) major or cyclic maintenance; or

(iii) operation and maintenance,".

(2)

After "as" in sub-clause (4) insert "operation and".

9. – CLAUSE 59

Omit "this or the former Agreement". Insert instead "paragraph 49(1)(b)".

10. – CLAUSE 62

Omit the words "which constructed a work under this or the former Agreement". Insert instead "nominated to operate a work pursuant to paragraph 49(1)(b)".

11. – CLAUSE 65

Omit clause 65. Insert instead:

65. – Definitions

In this Part: " has the meaning set out in sub-clause 67(2);" means a financial benefit or assistance to obtain a financial benefit arising from or as a result of:

- (a) a loan;
- (b) issuing, endorsing or otherwise dealing in promissory notes;
- (c) drawing, accepting, endorsing or otherwise dealing in bills of exchange;
- (d) issuing, purchasing or otherwise dealing in securities;
- (e) granting or taking a lease of any real or personal property for financing but not for operating purposes;
- (f) any other arrangement approved by the Ministerial Council;

" means the costs of:

- (a) investigating and constructing works set out in Schedule A; and
- (b) investigating and constructing any other works and implementing measures authorised under this Agreement; and
- (c) studies, programs, surveys and investigations carried out pursuant to clause 39; and
- (d) establishing systems referred to in clause 41; and
- (e) systems established pursuant to a request made under paragraph 43(b); and
- (f) special action taken under sub-clause 48(5) which the Ministerial Council has determined to be investigations, construction and administration costs; and
- (g) any payment by the Commission in respect of the construction of works under sub-clause 51(1); and
- (h) complying with the direction given under sub-clause 54(2); and
- (i) dismantling works referred to in sub-clause 64(2); and
- (j) any payment by the Commission under paragraph 131(a); and
- (k) administrative and other expenses of the Commission, the Ministerial Council and the Community Advisory Committee constituted under sub-clause 14(1);

" has a meaning determined by reference to the guidelines established by the Commission under sub-clause 67(4);" means the costs of:

- (a) operating and maintaining works set out in Schedule A; and
- (b) operating and maintaining any other works authorised under this Agreement; and
- (c) operating and maintaining systems referred to in clause 41; and
- (d) operating and maintaining systems established pursuant to a request made under paragraph 43(b); and
- (e) special action taken under sub-clause 48(5) which the Ministerial Council has determined to be operation and maintenance costs; and
- (f) any payment made by the Commission in respect of the operation or maintenance of works under sub-clause 51(1); and
- (g) such dredging or snagging carried out under clause 61 which the Commission has resolved to meet; and
- (h) any payment made by the Commission under paragraph 131(b);

" includes inscribed stock and debenture, bond, debenture stock, note or any other document creating, evidencing or acknowledging indebtedness in respect of financial accommodation, whether constituting a charge on property of the Commission or not."

12. – CLAUSE 66

Omit clause 66. Insert instead:

66. – Apportionment of costs

(1) The Ministerial Council, after considering any recommendation of the Commission, must determine:

- (a) what contribution, if any, is to be made by any State or Territory becoming a party pursuant to clause 134; and

- (b) whether some or all of that contribution is to be made as a lump sum or in a comparable manner to a manner provided for in sub-clause 66(3), (4) or 67(2).
- (2) Subject to sub-clause 66(1), the Ministerial Council:
 - (a) may, on the recommendation of the Commission, from time to time determine which proportion of the services provided by the Commission's water business is attributable to each State Contracting Government; and
 - (b) must, at intervals not exceeding five years, reconsider the proportions determined under paragraph 66(2)(a); and
 - (c) may, on the recommendation of the Commission, alter the proportions determined under paragraph 66(2)(a).
- (3) Unless the Ministerial Council decides otherwise and subject to any decision of the Ministerial Council under sub-clause 66(1), a State Contracting Government must contribute to operation and maintenance costs in the relevant proportion determined under sub-clause 66(2).
- (4) Unless the Ministerial Council decides otherwise and subject to any decision by the Ministerial Council under sub-clause 66(1) and the provisions of clause 67:
 - (a) the Commonwealth Government must contribute one-quarter of all investigations, construction and administration costs after first deducting any contribution to those costs made by any State or Territory:
 - (i) becoming a party pursuant to clause 134; or
 - (ii) pursuant to any understanding reached between that State or Territory and the Contracting Governments; and
 - (b) the State Contracting Governments must together contribute three-quarters of all investigations, construction and administration costs:
 - (i) relating to the Commission's water business, in the relevant proportions determined under sub-clause 66(2); and
 - (ii) relating to measures implemented under this Agreement, in equal shares.
- (5) The Ministerial Council, after considering any recommendation by the Commission, must determine whether the costs of any special action taken under sub-clause 48(5) are investigations, construction and administration costs or operation and maintenance costs."

13. – CLAUSE 67

Omit clause 67. Insert instead:

67. – "Borrowings and Annuity Contributions

- (1) The Commission may, with the prior approval of the Ministerial Council, obtain financial accommodation with respect to any:
 - (a) investigations, construction and administration costs; and
 - (b) major or cyclic maintenance costs,incurred, or which the Commission proposes to incur, for the purposes of the Commission's water business.
- (2) The Ministerial Council, on the recommendation of the Commission, may from time to time determine that a Contracting Government must make an annual annuity contribution in respect of either or both of:
 - (a) investigations, construction and administration costs; and
 - (b) major or cyclic maintenance costs,which the Contracting Government might otherwise be required to contribute under sub-clause 66(1), (3), paragraph 66(4)(a) or sub-paragraph 66(4)(b)(i), in any future year.
- (3) In fixing any annuity contribution under sub-clause 67(2), the Ministerial Council must have regard to the Commission's estimate of costs which will be incurred during the next ensuing 30 years (or such other period as the Commission determines) in relation to

either or both of:

- (a) the construction or renewal; and
- (b) major or cyclic maintenance,

of works constructed, operated, maintained or renewed for the purposes of the Commission's water business (as the case requires) including any interest or other sums receivable or payable in respect of any income received, or any financial accommodation obtained, by the Commission from time to time in relation to those works.

(4) For the purposes of this Part, the Commission must establish guidelines for determining what is, and what is not, major or cyclical maintenance."

14. – CLAUSE 68

Omit clause 68. Insert instead:

68. – "Annual and forward estimates

(1) The Commission must prepare:

- (a) detailed annual estimates of its known and anticipated expenditure for the next financial year; and
- (b) forward estimates of its known and anticipated expenditure for the two successive financial years following the next financial year.

(2) Annual and forward estimates must:

- (a) be in such form as may from time to time be agreed between the Commission and the Ministerial Council; and
- (b) show the estimated amount to be contributed by each Contracting Government; and
- (c) be sent to each Contracting Government before the end of March in each year; and
- (d) be approved by the Ministerial Council,

and may be revised from time to time with the approval of the Ministerial Council."

15. – CLAUSE 69

Omit clause 69. Insert instead:

"69.

Each Contracting Government must pay any amount payable by it under clause 66 or 67 as and when required by the Commission."

16. – CLAUSE 72

(1)

Omit sub-clause (1). Insert instead:

"(1) Subject to sub-clause 72(3), the Commission must apply money paid by the Contracting Governments in accordance with the relevant estimates referred to in paragraph 68(1)(a)."

(2)

In sub-clause (2):

- (a) omit "annual or supplementary" from paragraph (a). Insert after "estimates", "prepared or revised under paragraph 68(1)(a)";
- (b) omit "the annual or supplementary" from paragraph (b). Insert instead "those";
- (c) after "financial year;" in paragraph (b) insert "and".

(3)

Omit sub-clause (3). Instead insert:

"(3) The Commission may accumulate:

- (a) any sums received under sub-clause 66(3) or (4) for the purposes of the Commission's water business, but not expended in any year; and

(b) any annuity contributions received under clause 67,
for use in subsequent years."

(4)

Omit sub-clause (4). Instead insert:

"(4) Any sum referred to in paragraph 72(3) and any interest thereon must:
(a) in the case of sums received under sub-clause 66(3), only be expended on operation and maintenance costs; and
(b) in the case of sums received under sub-clause 66(4), only be expended on investigations, construction and administration costs; and
(c) in the case of annuity contributions received under clause 67:
(i) from a State Contracting Government, only be expended on either:
(A) investigations, construction and administration costs; or
(B) major or cyclic maintenance costs,
of the Commission's water business, as the case requires; or
(ii) from the Commonwealth, only be expended on investigations, construction and administration costs of the Commission's water business."

17. – CLAUSE 73

In sub-clause (1):

- (a) omit "annual and supplementary"; and
- (b) insert after "estimates", "referred to in paragraph 68(1)(a)",

18. – CLAUSE 75

(1)

Omit sub-clause (1). Insert instead:

"(1) The unexpended balance of moneys paid to the Commission by Contracting Governments for implementing measures in any financial year:
(a) shall, with the approval of the Ministerial Council, be available for expenditure in a subsequent financial year upon any item in the annual estimates approved by the Ministerial Council for the relevant year; or
(b) may be used to reduce the amounts which would otherwise be payable by each Contracting Government under clause 69 in that subsequent financial year."

(2)

In sub-clause (2):

- (a) omit "any". Insert instead "the".
- (b) after "balances" insert "of moneys referred to in sub-clause 75(1)".

(3)

Omit sub-clause (3). Insert instead:

"(3) Any unexpended balance referred to in sub-clause 75(1) must only be expended on implementing measures under this Agreement."

19. – CLAUSE 77

Omit sub-clause (2). Insert instead:

"(2) The Commission must determine how proceeds from the disposal of surplus assets are:
(a) to be paid to the Commission and credited against future capital and renewal contributions by; or
(b) to be distributed among,

the Contracting Governments, having regard to the contributions made by each Contracting Government to the acquisition of those assets."

20. – CLAUSE 78

(1)

Omit paragraphs (a) and (b) from sub-clause (1). Insert instead:

"(a) must be audited annually by:

- (i) an auditor appointed by the Ministerial Council; or
- (ii) if no appointment is made under sub-paragraph 78(1)(a)(i), the Commonwealth auditor; and

(b) may be audited at any reasonable time by an auditor appointed by a Contracting Government."

(2)

Omit sub-clauses (2) and (3). Insert instead:

"(2) An auditor referred to in paragraph 78(1)(a) must promptly inform each Contracting Government of any significant irregularity revealed by an audit."

(3)

Omit sub-clause (4). Insert instead:

"(3) The Commission must, at all reasonable times, make all its relevant accounts and records available to an auditor acting under sub-clause 78(1) or any person acting on behalf of that auditor."

(4)

Renumber sub-clauses (5) and (6) as (4) and (5), respectively.

(5)

(a) Renumber sub-clause (7) as sub-clause (6).

(b) Omit "sub-clause 78(1)" from sub-clause (6). Insert instead "paragraph 78(1)(a)".

21. – CLAUSE 80

Omit clause 80. Insert instead:

"80.

The Commission may invest money received by it:

- (a) in accordance with any guidelines established by the Ministerial Council; or
- (b) in such manner as may be directed by the Ministerial Council,

but not otherwise."

22. – CLAUSE 81

Omit sub-clause (3). Insert instead:

"(3) Money paid to the Commission under this clause must either:

- (a) be expended on investigations, construction and administration costs; or
- (b) applied in accordance with sub-clause 75(1)."

23. – CLAUSE 82

Omit sub-clause (4). Insert instead:

"(4) Money paid to the Commission under this clause must either:

- (a) be expended on investigations, construction and administration costs; or
- (b) applied in accordance with sub-clause 75(1)."

24. – SCHEDULE C, CLAUSE 22

Omit "7(3)" from sub-clause (2). Insert instead "16(3)".

25. – SCHEDULE C, APPENDIX 2

After Appendix 1 to Schedule C insert:

"APPENDIX 2

AUTHORISED JOINT WORKS AND MEASURES

Description of works	Location	Nominated Government	Status
Barr Creek Drainage Diversion Scheme Saline water diversion from Barr Creek with disposal to the Tutchewop Lakes	Northern Victoria approximately 20 km north of the township of Kerang	Victoria	Former Salinity and Drainage Work
Buronga Salt Interception Scheme (part) Groundwater pumping with disposal to Mourquong basin	Southwest New South Wales on the River Murray between Mildura Weir and Mourquong	New South Wales	Former Salinity and Drainage Work
Mallee Cliffs Salt Interception Scheme Groundwater pumping with disposal to evaporation basin adjacent to Mallee Cliffs National Park	Southwest New South Wales on the River Murray approximately 30 km east of Mildura opposite Lambert Island in Victoria	New South Wales	Former Salinity and Drainage Work
Mildura-Merbein Salt Interception Scheme (part) Groundwater pumping with disposal to Wargan evaporation basins	Northwest Victoria on the Southern side of the River Murray between Mildura and Merbein	Victoria	Former Salinity and Drainage Work
Rufus River Groundwater Interception Scheme Groundwater pumping with disposal to evaporation basins on the western side of lake Victoria	On both sides of Rufus River between the outlet from Lake Victoria and the River Murray	South Australia	Former Salinity and Drainage Work
Waikerie Salt Interception Scheme Groundwater pumping with disposal to Stockyard Plain evaporation basin	Southern side of the River Murray from Holder Bend (River distance 392 km) to the Toolunka Reach (River distance 371 km)	South Australia	Former Salinity and Drainage Work
Woolpunda Salt Interception Scheme Groundwater pumping with disposal to Stockyard Plain evaporation basin	Both sides of the River Murray from Overland Corner to Holder Bend in South Australia	South Australia	Former Salinity and Drainage Work
Pyramid Creek Salt Interception Scheme Groundwater pumping with disposal to a salt harvesting pond complex	Along Pyramid Creek for 12 km from Flannery's Bridge to the Box Creek Regulator	Victoria	Basin Salinity Management Strategy Work"

26. – SCHEDULE D, CLAUSE 3

To avoid doubt and to allow the Parties to comply with sub-clause 134(6) of the Principal Agreement:

(1)

After sub-clause 3(1) insert:

"(1A) Sub-clauses 38(1) and 38(3) of the Agreement only apply to the State of Queensland in respect of an act, omission or loss incurred, in relation to the bona fide execution of powers--

- (a) in or related to the State of Queensland; or
- (b) under a provision of the Agreement as it applies to the State of Queensland.".

(2)

After sub-clause 3(4) insert:

"(5) Nothing in the Agreement requires the State of Queensland--

(a) to contribute to the costs of, or associated with, remedying any actual or anticipated damage referred to in paragraph 51(1)(c) of the Agreement; or

(b) to meet any compensation for damage paid under clause 83 of the Agreement, except where the State of Queensland has contributed to the construction, maintenance or operation expenses of the works to which the costs or compensation relate.".

EXECUTED as an agreement		
SIGNED by the Honourable John Winston Howard MP		
Prime Minister of the Commonwealth	John Howard	
of Australia in the presence of-- Ron Perry		
SIGNED by the Honourable Morris Iemma MP Premier of New South Wales in the presence of--	Morris Iemma	
Ron Perry		
SIGNED by the Honourable Steve Bracks MP Premier of Victoria in the presence of--	Steve Bracks	
Ron Perry		
SIGNED by the Honourable Peter Beattie MP Premier of Queensland in the presence of--	Peter Beattie	
Ron Perry		
SIGNED by the Honourable Mike Rann MP Premier of South Australia in the presence of--	Mike Rann	
Ron Perry		
SIGNED by Jon Stanhope MLA Chief Minister of the Australian Capital Territory in the presence of--	Jon Stanhope	
Ron Perry		

Historical notes

The following abbreviations are used in the Historical notes:

Am	amended	LW	legislation	Sch	Schedule
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			website		
CI	clause	No	number	Schs	Schedules
CII	clauses	p	page	Sec	section
Div	Division	pp	pages	Secs	sections
Divs	Divisions	Reg	Regulation	Subdiv	Subdivision
GG	Government Gazette	Regs	Regulations	Subdivs	Subdivisions
Ins	inserted	Rep	repealed	Subst	substituted

Table of amending instruments *Murray-Darling Basin Act 1992 No 65*. Assented to 3.11.1992. Date of commencement, 6.10.1993, sec 2 and GG No 109 of 6.10.1993, p 6127. This Act has been amended by Sch 2 to this Act (ins 2002 No 87, Sch 1 [4]) and as follows:

1999	No 85	<i>Statute Law (Miscellaneous Provisions) Act (No 2) 1999</i> . Assented to 3.12.1999. Date of commencement of Sch 2.42, assent, sec 2 (2).
2000	No 92	<i>Water Management Act 2000</i> . Assented to 8.12.2000. Date of commencement of Sch 8.17, 1.1.2001, sec 2 and GG No 168 of 22.12.2000, p 13471.
2002	No 87	<i>Murray-Darling Basin Amendment Act 2002</i> . Assented to 7.11.2002. Date of commencement, 1.1.2003, sec 2 and GG No 263 of 20.12.2002, p 10748.
2004	No 40	<i>State Water Corporation Act 2004</i> . Assented to 30.6.2004. Date of commencement of Sch 3.9, 1.7.2004, sec 2 and GG No 110 of 1.7.2004, p 4983.
2007	No 63	<i>Murray-Darling Basin Amendment Act 2007</i> . Assented to 23.11.2007. Date of commencement, assent, sec 2.

Table of amendments

Sec 4	Am 2000 No 92, Sch 8.17 [1]; 2002 No 87, Sch 1 [1] [2]; 2004 No 40, Sch 3.9; 2007 No 63, Sch 1 [1] [2].
Sec 6A	Ins 2002 No 87, Sch 1 [3].
Sec 6B	Ins 2007 No 63, Sch 1 [3].
Sec 21	Am 2000 No 92, Sch 8.17 [2].
Sec 23	Am 2000 No 92, Sch 8.17 [3].
Sec 34	Am 1999 No 85, Sch 2.42.
Sch 1	Am 1992 No 65, Sch 2 (ins 2002 No 87, Sch 1 [4]); Ministerial Council in accordance with cl 134 of the Agreement, 16.5.1996 (Sch D); Ministerial Council in accordance with cl 50 of the Agreement, 28.11.1997 (Sch E); Ministerial Council in accordance with cl 50 of the Agreement, 25.8.2000 (Sch F); Ministerial Council in accordance with cl 134 of the Agreement, 19.5.2006 (Sch H); 1992 No 65, Sch 3 (ins 2007 No 63, Sch 1 [4]).
Sch 2	Ins 2002 No 87, Sch 1 [4].
Sch 3	Ins 2007 No 63, Sch 1 [4].