Water Amendment (Water for the Environment Special Account) Bill 2012

No. , 2012

(Sustainability, Environment, Water, Population and Communities)

A Bill for an Act to amend the Water Act 2007 to establish a Special Account, and for related purposes
Contents

1 Short title.................................................................1
2 Commencement..........................................................1
3 Schedule(s) ...................................................................2

Schedule 1—Water for the Environment Special Account 3

Water Act 2007 3
A Bill for an Act to amend the Water Act 2007 to establish a Special Account, and for related purposes

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the Water Amendment (Water for the Environment Special Account) Act 2012.

2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.
### Commencement information

<table>
<thead>
<tr>
<th>Provision(s)</th>
<th>Commencement</th>
<th>Date/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table</td>
<td>The day this Act receives the Royal Assent.</td>
<td></td>
</tr>
<tr>
<td>2. Schedule 1</td>
<td>The later of:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) the start of the day this Act receives the Royal Assent; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) the start of the day the Water Amendment (Long-term Average Sustainable Diversion Limit Adjustment) Act 2012 receives the Royal Assent.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.</td>
<td></td>
</tr>
</tbody>
</table>

1. Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

2. (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3. **Schedule(s)**

   Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.
Schedule 1—Water for the Environment Special Account

Water Act 2007

1 Subsection 4(1)

Insert:

*Water for the Environment Special Account* means the Special Account established by section 86AB.

2 After Part 2

Insert:

Part 2AA—Water for the Environment Special Account

86AA Object of this Part

(1) The object of this Part is to enhance the environmental outcomes that can be achieved by the Basin Plan, as in force from time to time, by:

(a) protecting and restoring the environmental assets of the Murray-Darling Basin; and

(b) protecting biodiversity dependent on the Basin water resources;

so as to give effect to relevant international agreements.

(2) Without limiting subsection (1), examples of how environmental assets of the Murray-Darling Basin may be protected or restored include the following:

(a) increasing the flow of water through barrages to the Coorong;

(b) increasing the average depth of water in the Lower Lakes;

(c) reducing the average salinity levels in the Coorong and Lower Lakes;

(d) increasing the average depth of water at the mouth of the River Murray;
(e) flushing salt from the water resources of the Murray-Darling Basin to reduce the average salinity levels of the Basin;
(f) allowing for environmental watering of floodplains of the River Murray System;
(g) providing flows of water over the banks of rivers and streams to improve connections between water-dependent ecosystems in the River Murray System.

(3) The object of this Part is to be achieved by:
(a) easing or removing constraints on the capacity to deliver environmental water to the environmental assets of the Murray-Darling Basin; and
(b) increasing the volume of the Basin water resources that is available for environmental use by up to 450 gigalitres.

86AB Water for the Environment Special Account
(1) The Water for the Environment Special Account is established by this section.
(2) The Account is a Special Account for the purposes of the Financial Management and Accountability Act 1997.

86AC Credits to the Water for the Environment Special Account
(1) There must be credited to the Water for the Environment Special Account the following amounts:
(a) all amounts appropriated by the Parliament for the purposes of that Account;
(b) amounts paid by a Basin State, under an agreement between the Commonwealth and the State, for crediting to that Account;
(c) amounts received for crediting to that Account by the Commonwealth under any other agreement;
(d) amounts equal to money received by the Commonwealth in relation to property paid for with amounts debited from that Account;
(e) amounts equal to amounts of any gifts given or bequests made for the purposes of that Account.
Note: An Appropriation Act provides for amounts to be credited to a Special Account if any of the purposes of the Account is a purpose that is covered by an item in the Appropriation Act.

(2) Amounts equal to money received by the Commonwealth from the disposal of or other dealings with water access rights paid for with amounts debited from the Water for the Environment Special Account are not to be credited to that Account.

Note: Such amounts are instead credited to the Environmental Water Holdings Special Account (see paragraphs 105(2)(a) and 112(1)(b)).

86AD Purposes of the Water for the Environment Special Account

(1) This section sets out the purposes of the Water for the Environment Special Account.

(2) Amounts standing to the credit of the Water for the Environment Special Account may be debited for any of the following purposes:

(a) making payments in relation to projects whose aim is to further the object of this Part by doing one or more of the following:

(i) improving the water efficiency of the infrastructure that uses Basin water resources for irrigation;

(ii) improving the water efficiency of any other infrastructure that delivers, stores or drains Basin water resources for the primary purpose of providing water for irrigation;

(iii) improving or modifying any infrastructure (including bridges and roads) that constrains the delivery of environmental water to the environmental assets of the Murray-Darling Basin in order to ease or remove those constraints;

(iv) increasing the capacity of dams and storages to deliver environmental water to the environmental assets of the Murray-Darling Basin;

(v) entering agreements to acquire an interest in, or in relation to, land (including easements) to facilitate environmental watering of the environmental assets of the Murray-Darling Basin;

(vi) improving the rules, policies, practices and procedures in relation to the use and management of the Basin water resources;
Schedule 1 Water for the Environment Special Account

(b) purchasing water access rights in relation to Basin water resources for the purpose of furthering the object of this Part;
(c) making any other payments:
   (i) in relation to projects whose aim is to further the object of this Part; or
   (ii) to address any detrimental social or economic impact on the wellbeing of any community in the Murray-Darling Basin that is associated with a project or purchase referred to in paragraph (a) or (b) or subparagraph (c)(i) so as to offset any such impact;
(d) meeting the expenses of administering the Account.

(3) For the purposes of this section, the expenses of administering the Water for the Environment Special Account do not include the cost of salaries of the Department.

(4) An amount may be debited from the Water for the Environment Special Account for the purpose of making a payment in relation to a project or purchase referred to in paragraph (2)(a) or (b) or subparagraph (2)(c)(i) only if the project or purchase is related to an adjustment of a long-term average sustainable diversion limit for the water resources of a particular water resource plan area (or a particular part of those water resources) under section 23A (whether or not the adjustment has been proposed, and whether or not the adjustment has been adopted as an amendment) because the project or purchase achieves the object of this Part in accordance with subsection 86AA(3).

Note: A proposed adjustment may be adopted by the Minister as an amendment of the Basin Plan under subsection 23B(6).

86AE Commonwealth environmental water holdings

(1) To avoid doubt, water access rights acquired by the Commonwealth with amounts debited from the Water for the Environment Special Account form part of the Commonwealth environmental water holdings (see section 108).

Note: The Commonwealth Environmental Water Holder must (subject to subsection (2) of this section) dispose or otherwise deal with Commonwealth environmental water holdings in accordance with sections 105 and 106.
(2) Paragraphs 105(3)(b) and (4)(b) and 106(2)(b) and (c), and
subsection 105(5), do not apply in relation to any water access
right that forms part of the Commonwealth environmental water
holdings if the water access right was acquired by the
Commonwealth with amounts debited from the Water for the
Environment Special Account.

86AF Arrangements to make payments

(1) The Minister may, on behalf of the Commonwealth, enter into
arrangements and make payments for the purposes of subsection
86AD(2).

(2) If a Basin State is granted financial assistance with an amount
debited from the Water for the Environment Special Account, the
terms and conditions on which that financial assistance is granted
are to be set out in a written agreement between the
Commonwealth and the Basin State.

86AG Amounts to be credited to the Water for the Environment
Special Account

At the beginning of 1 July in each financial year specified in the
following table, the amount specified in the table for that year is
credited by force of this section to the Water for the Environment
Special Account.

<table>
<thead>
<tr>
<th>Yearly payments</th>
<th>Financial year</th>
<th>Amount for financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>2014-2015</td>
<td>$15,000,000.00</td>
</tr>
<tr>
<td>2</td>
<td>2015-2016</td>
<td>$40,000,000.00</td>
</tr>
<tr>
<td>3</td>
<td>2016-2017</td>
<td>$110,000,000.00</td>
</tr>
<tr>
<td>4</td>
<td>2017-2018</td>
<td>$430,000,000.00</td>
</tr>
<tr>
<td>5</td>
<td>2018-2019</td>
<td>$320,000,000.00</td>
</tr>
<tr>
<td>6</td>
<td>2019-2020</td>
<td>$350,000,000.00</td>
</tr>
<tr>
<td>7</td>
<td>2020-2021</td>
<td>$315,000,000.00</td>
</tr>
<tr>
<td>8</td>
<td>2021-2022</td>
<td>$105,000,000.00</td>
</tr>
<tr>
<td>9</td>
<td>2022-2023</td>
<td>$60,000,000.00</td>
</tr>
</tbody>
</table>
Schedule 1  Water for the Environment Special Account

| Yearly payments |
|------------------|------------------|------------------|
| Item | Financial year | Amount for financial year |
| 10 | 2023-2024 | $30,000,000.00 |

**86AH  Special provision for the 2024-2025 financial year**

The balance of the Water for the Environment Special Account from the beginning of 1 July 2024 is zero.

Note: The effect of this section is that on 1 July 2024, the entire balance of the Water for the Environment Special Account is debited from the Account.

**86AI  Annual report**

*Annual report to be given to Minister*

(1) As soon as practicable after 30 June in each financial year (the *report year*), the Secretary of the Department must prepare and give to the Minister, for presentation to the Parliament, a report on the Water for the Environment Special Account during that year.

*Contents of annual report*

(2) The Secretary of the Department must include in each annual report particulars of the following:

(a) the objectives and priorities for amounts debited during the report year from the Water for the Environment Special Account;

(b) achievements against those objectives and priorities, including the following:

(i) the increase during the report year in the volume of the Commonwealth environmental water holdings as a result of amounts debited from the Water for the Environment Special Account (whether the amounts were debited in that or any other year);

(ii) a description of the kinds of water access rights acquired by the Commonwealth during the report year as a result of amounts debited from the Water for the Environment Special Account (whether the amounts were debited in that or any other year);
(iii) the water resource plan areas in which water access rights referred to in subparagraph (ii) have been acquired;

(c) for each project in relation to which an amount was debited from the Water for the Environment Special Account during the report year for the purposes of paragraph 86AD(2)(a) or subparagraph 86AD(2)(c)(i):

(i) a description of the project; and

(ii) the aim of the project; and

(iii) the water resource plan area in which the project is to take place or is taking place;

(d) if an amount was debited during a previous financial year for the purposes of paragraph 86AD(2)(a) or subparagraph 86AD(2)(c)(i) in relation to a project—any significant developments during the report year in relation to the project;

(e) in any case—any amount debited from the Water for the Environment Special Account during the report year, and the purpose for which the amount was debited.

Annual report to be tabled in Parliament

(3) The Minister must cause a copy of each annual report to be tabled in each House of the Parliament within 15 sitting days of that House after the day the Minister receives the report.

Annual report to be given to Basin States

(4) The Minister must cause a copy of each annual report to be given to the relevant State Minister for each of the Basin States on or before the day the report is first tabled in a House of the Parliament.

3 At the end of subsection 105(3)

Add:

Note: This subsection and subsection (4) are modified in relation to water access rights acquired by the Commonwealth with amounts debited from the Water for the Environment Special Account (see subsection 86AE(2)).

4 At the end of subsection 106(2)

Add:
Note: This subsection is modified in relation to water access rights acquired by the Commonwealth with amounts debited from the Water for the Environment Special Account (see subsection 86AE(2)).

5 At the end of subsection 108(1)
   Add:
   Note: Water access rights acquired by the Commonwealth with amounts debited from the Water for the Environment Special Account form part of the Commonwealth environmental water holdings (see subsection 86AE(1)).

6 After paragraph 251(2)(e)
   Insert:
   (ea) the power to enter into an arrangement under subsection 86AF(1) that contains, or is to contain, terms and conditions referred to in subsection 86AF(2); or