

# INTERGOVERNMENTAL AGREEMENT ON A NATIONAL ACTION PLAN FOR SALINITY AND WATER QUALITY

Between the Commonwealth of Australia, New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania, the Northern Territory, and the Australian Capital Territory

## PREAMBLE

1. In recognition of Australia's critical salinity, particularly dryland salinity, and water quality problems, the Parties agree to the National Action Plan for Salinity and Water Quality in Australia (the Action Plan) at Attachment A, as the basis for developing detailed agreements between the Commonwealth and the States / Territories.
2. The Action Plan builds on the work to date and has the following key elements:
  - i) **targets and standards for natural resource management**, particularly for salinity and water quality;
  - ii) **integrated catchment / regional management plans** developed by the community and accredited jointly by the relevant Parties, in the 20 agreed catchments / regions that are highly affected by salinity, particularly dryland salinity, and deteriorating water quality;
  - iii) **capacity building for communities** and landholders to assist them to develop and implement integrated catchment / regional plans, together with the provision of technical and scientific support and engineering innovations;
  - iv) **an improved governance framework** to secure the Commonwealth-State/Territory investments and community action in the long term, including property rights, pricing, and regulatory reforms for water and land use;
  - v) **clearly articulated roles for the Commonwealth, State / Territory, local government and the community** to provide an effective, integrated and coherent framework to deliver and monitor implementation of the Action Plan; and
  - vi) a **public communication program** to support widespread understanding of all aspects of the Action Plan so as to promote behavioural change and community support.
3. The Parties agree that all elements of the Action Plan must be acted on. In giving effect to this the Parties agree to work to develop:
  - i) by June 2001, Bilateral Agreements that acknowledge the variation of jurisdictional institutional and statutory approaches; and
  - ii) Partnership Agreements with catchment / regional bodies, progressively following the signing of Bilateral Agreements, on the arrangements for implementation of salinity and water quality actions.
4. This Intergovernmental Agreement embodies a number of principles, including:
  - i) a focus on catchment / regional outcomes;
  - ii) an acknowledgment of the effort of communities in relation to existing management plans and the need to build on that effort, commitment and those plans;
  - iii) flexibility to reflect different circumstances in jurisdictions and the variation in the capacity and expectations of communities and the needs of different catchments / regions; and
  - iv) a fundamentally new approach to the way we manage and invest in our natural resources to deliver improved salinity and water quality benefits, involving integrated

catchment / regional plans that stimulate best management practices, that restore degraded landscapes where that is practical and economic, and that promote new sustainable production systems.

## **PURPOSE**

5. The purpose of this Agreement is to establish the arrangements between governments, in accordance with the National Action Plan on Salinity and Water Quality, that are necessary to motivate and enable regional communities to use coordinated and targeted action to:
  - i) prevent, stabilise and reverse trends in salinity, particularly dryland salinity, affecting the sustainability of production, conservation of biological diversity and the viability of our infrastructure; and
  - ii) improve water quality and secure reliable allocations for human uses, industry and the environment.

## **COMMENCEMENT**

6. The provisions of this Agreement will commence for each jurisdiction, as it becomes a signatory to this Agreement.
7. Actions that are to be implemented on a Commonwealth-State scale (such as support for capacity building activities – training and extension networks – and market-based incentives, salinity mapping and research into sustainable new production systems) may commence in each jurisdiction in accordance with clause 6.
8. Implementation of catchment / regional planning and possible foundation funding to catchment / regional bodies to assist them to develop and refine plans will commence upon the Commonwealth and the relevant State / Territory signing a Bilateral Agreement, developed in accordance with clause 31.
9. Block funding to catchment / regional bodies to implement accredited plans will commence upon the Commonwealth, and a State(s) / Territory(ies) and the relevant catchment / regional body signing a Partnership Agreement, developed in accordance with clause 34.

## **REGIONAL ARRANGEMENTS**

### **Priority Regions**

10. The Parties agree that the following 21 catchments / regions, shown in the indicative Map at Attachment B, are the priority regions for which block funding for accredited plans will be provided under this Agreement: Burdekin-Fitzroy (Qld); Lockyer-Burnett-Mary (Qld); Condamine-Balonne-Maranoa (Qld-NSW); Border Rivers (Qld-NSW); Namoi-Gwydir (NSW); Macquarie-Castlereagh (NSW); Lachlan-Murrumbidgee (NSW/ACT); Murray (NSW); Goulburn-Broken (Vic); Avoca-Loddon-Campaspe (Vic); Glenelg-Corangamite (Vic); Midlands (Tas); Lower Murray (SA-Vic); Mt Lofty Ranges-Northern Agricultural Districts (SA); South East (SA); Avon (WA); South Coast (WA); Northern Agricultural Region (WA); South West (WA); Ord (WA-NT) and Darwin-Katherine (NT).
11. The precise boundaries relating to these priority regions will be determined in the Bilateral Agreements, developed in accordance with clause 31.

### **Integrated Catchment / Regional Natural Resource Management Plans**

12. The Parties agree to develop national criteria, by February 2001, that will be the basis for accreditation by the relevant Parties of an integrated catchment / regional natural resource management plan (catchment / regional plan) for each priority region referred to in clause 10. These criteria will be approved by the Ministerial Council established under clause 29 or by earlier agreement.
13. The Parties agree that community-based catchment / regional bodies, with the attributes described in clause 16, will develop and implement an integrated catchment / regional NRM plan for each priority region that will provide the basis for government funding for salinity and water quality actions under this Agreement.
14. The Parties agree that the integrated catchment / regional plan will need to:
  - i) contribute to the achievement of nationally agreed outcomes, as outlined in clause 5;
  - ii) incorporate strategies and actions for progressing the range of natural resource management issues with the focus on action to improve salinity and water quality;
  - iii) be within the framework of standards agreed between the Commonwealth and the States/Territories, as specified in clauses 20 and 21;
  - iv) be based upon a scientific analysis of natural resource conditions and problems and priorities carried out at the catchment / regional level, drawing upon salinity mapping and modelling technologies where appropriate, assisted by governments in the context of wider regional objectives;
  - v) include catchment / region specific targets, developed with reference to the national standards;
  - vi) outline, in accordance with sub-clause 26 iv), a strategy to meet caps on extractive use of water, that will be introduced by the States and Territories in accordance with clause 26 ii);
  - vii) include milestones for progressing to the catchment / regional targets and national standards;
  - viii) involve a community-based process in developing the plans;
  - ix) outline strategic approaches to stimulating changes in land and water resource management and on-ground activity at the catchment / regional scale that will result in improved salinity and water quality outcomes;
  - x) identify cost-effective actions to address areas of high hazard or where preventative action now will reduce the prospect of future severe salinity and water quality problems;
  - xi) include accountability, performance monitoring and reporting arrangements; and
  - xii) where relevant, be consistent with basin-wide or State strategies and targets that have been collectively agreed by relevant jurisdictions in other fora, such as the Murray-Darling Basin Ministerial Council
  - xiii) include provision for periodic review and update to reflect new information and an approach of continuous improvement.
15. The Parties agree that, in accordance with the above framework, accreditation criteria will be developed and approved by February 2001. The Commonwealth and relevant State(s) / Territory will jointly accredit each plan that meets these criteria.

## **Delivery mechanism**

16. The Parties agree that catchment / regional bodies should have:
  - i) a suitable level of authority to develop and implement catchment / regional plans;
  - ii) transparency and equity in decision making, and effective mechanisms for participation by all relevant stakeholder groups;
  - iii) technical ability and capacity for the development and implementation of accredited catchment / regional plans or the ability to coopt this ability and capacity;
  - iv) the ability to work effectively in the delivery of cross-border plans;
  - v) adequate arrangements for administration, financial management and accountability for implementing the catchment / regional plan and delivering agreed outcomes; and
  - vi) arrangements to work with local government and other agencies to ensure the integrity of the catchment / regional plans and government investments.
17. The Parties agree that the Bilateral Agreements may outline a transitional mechanism, including for administration, financial management and accountability, for implementing the plan and delivering the outcomes stated in the accredited catchment / regional plan.
18. The Parties agree that the Bilateral Agreements will also outline a timetable for the establishment, in as many priority regions as is practicable, of a single catchment / regional body to implement each accredited catchment / regional plan and to periodically review and update the accredited catchment / regional plan.
19. The Parties agree, consistent with clause 16, that the details of the structure, roles and functions of the catchment / regional bodies within each State or Territory will be agreed in Bilateral Agreements between the Commonwealth and the relevant State or Territory, to be established in accordance with clause 31. These will take account of existing arrangements and acknowledge the variation in the capacity, needs of different catchments / regions, and community expectations in these catchments / regions. Where appropriate catchment / regional bodies exist, the Parties do not intend to create new bodies but rather build on existing structures to achieve the agreed outcomes in the nominated catchments / regions.

## **Standards and Targets**

20. The Parties agree to develop standards on salinity, water quality and associated water flows by December 2001, with interim standards by March 2001 building on existing standards where possible. These standards will be designed to achieve the purpose of this Agreement set out in clause 5 and will comprise:
  - i) national natural resource condition outcomes that can vary between bio-geographical regions / catchments; and
  - ii) national management standards defining best practice natural resource management which, when adopted, will assist in achievement of the national natural resource condition outcomes.
21. Parties agree to develop by December 2002 further standards for natural resource management as described in para 3.1 of the Action Plan, which build on the standards for salinity, water quality and associated water flows developed under this Agreement.
22. The Parties agree that catchment / region specific targets for salt, nutrients, associated water flow regimes and water quality, and subsequently for natural resource management aspects described in para 3.1 of the Action Plan, will need to be developed by the catchment / regional body with reference to the standards. These catchment / regional targets will be:
  - i) based on good science and economics;
  - ii) measurable and time-bound; and

- iii) able to be practically applied at the catchment / regional level and be achievable in a cost effective way.

23. The standards referred to in clauses 20 and 21 will be agreed by the Ministerial Council that is established under clause 29 or by earlier agreement.

### **CAPACITY BUILDING FOR COMMUNITIES**

24. The Parties agree to support capacity building of communities and landholders to assist them develop and implement integrated catchment / regional plans by:

- i) providing relevant information and data to catchment / regional communities on natural resource condition to enable catchment / regional bodies to develop catchment / regional plans for government investment;
- ii) initiating relevant training and extension networks; and
- iii) facilitating initiatives involving new market-based incentives and research and development of new sustainable production systems.

### **LAND AND WATER MANAGEMENT POLICY**

25. The Parties agree on the need for an improved policy framework, including clarifying property rights, establishing appropriate pricing of water, and introducing regulatory reforms for water and land use, to secure government investments and to motivate best practice in land and water resource management.

#### ***Water***

26. In this regard, the Parties agree to the need to undertake the reforms outlined in Part 7 of the Action Plan. In particular, these reforms will include:

- i) State and Territory Governments reconfirming their commitments made under the COAG Water Reform Framework;
- ii) Expeditiously putting in place management arrangements to cap, by 1 January 2003 or as otherwise agreed in the Bilateral Agreements and subject to any existing agreements between the Commonwealth and the State in respect of a timetable for the introduction of any caps, extractive use of water from all surface and groundwater systems that are over-allocated or approaching full allocation and a strategy and timetable for meeting the caps;
- iii) The milestones for implementing the caps to be outlined in the Bilateral Agreements;
- iv) A requirement for the catchment / regional plan to give effect to the strategy to meet these agreed caps, including an agreed timetable for implementation. Where plans have been accredited prior to the caps in sub-clause 26 ii) being formulated, the catchment / regional plan is to be amended to incorporate such a strategy. These strategies may include buying-back or “clawing back” ground and surface water allocations with compensation to promote adjustment to affected individuals where appropriate and investing in projects that result in more efficient delivery, use and recycling of water; and
- v) Removal of impediments to the effective operation of trading markets in, and the integrated management of, both surface and groundwater systems.

#### ***Land***

27. States and Territories agree to institute controls on land clearing by June 2002 or as otherwise agreed in Bilateral Agreements, which at minimum prohibit land clearing in the priority catchments / regions where it would lead to unacceptable land or water degradation. For the

purpose of this clause 'unacceptable land and water degradation' will be defined in conjunction with the development of the interim standards to be developed under clause 20.

### ***Detailed Timelines***

28. Detailed actions and timelines for expeditious and progressive implementation of the land and water reforms, will be developed and agreed as part of the Bilateral Agreements developed under clause 31 of this Agreement.

### **MINISTERIAL COUNCIL ARRANGEMENTS**

29. At the Council of Australian Governments meeting of 3 November 2000, it was noted that a Natural Resource Management Ministerial Council will be established to oversee implementation of the National Action Plan. In this regard, the Natural Resource Management Ministerial Council will also take responsibility for natural resource management issues currently considered by ARMCANZ and ANZECC.

30. Prior to the formal establishment of the Council, matters requiring decision will be handled through an exchange of correspondence between First Ministers.

### **BILATERAL AGREEMENTS**

31. The Parties agree that Bilateral Agreements between the Commonwealth and the respective State / Territory will be developed and will detail for the relevant State / Territory:

- a) institutional arrangements for each region;
- b) agreed policy reforms and milestones for each;
- c) that the accreditation criteria, previously approved in accordance with clause 12, will be the basis for accreditation by the Parties of integrated catchment / regional plans, or where the catchment / region spans two jurisdictions, to be jointly agreed by the Commonwealth and the relevant jurisdictions;
- d) the process for accrediting integrated catchment / regional plans within that jurisdiction;
- e) provision for any multilateral arrangements required where regions or activities are multi-jurisdictional; and
- f) dispute resolution arrangements.

## **CROSS-BORDER CATCHMENTS / REGIONS**

32. The Parties recognise the importance of maintaining a consistent strategic and integrated approach to salinity and water quality issues in catchments or regions that cross jurisdictional borders:
- i) in this regard, the Parties agree to collaborate in facilitating the coordinated development and implementation of an overarching integrated catchment / regional plan for such areas;
    - a) by relevant, and where they occur, appropriate existing catchment / regional bodies;
    - b) within a planning framework which, drawing upon existing catchment / regional plans, specifies targets, regional outcomes, and the component strategies to achieve an overarching integrated plan; and
    - c) for which the component strategies may be implemented by appropriate existing catchment / regional bodies.
  - ii) such an overarching integrated plan could comprise component catchment / regional plans that have been developed by catchment / regional bodies, refined as appropriate, to achieve a coordinated approach in the cross-border catchment / region;
  - iii) in this regard, the parties to the Murray-Darling Basin Agreement will ensure that the overarching integrated plan and the component catchment / regional strategies are consistent with agreed Murray-Darling Basin strategies; and
  - iv) the Commonwealth and the relevant States / Territories will jointly consider and accredit the overarching integrated catchment / regional plan.
33. Upon joint accreditation of an integrated plan for the catchment / region, the Commonwealth and relevant States or Territories will conclude a Partnership Agreement with the catchment / regional body or bodies.

## **PARTNERSHIP AGREEMENTS**

34. In the context of a Bilateral Agreement, the Commonwealth and the relevant State(s) / Territory will develop a Partnership Agreement with the relevant catchment / regional body or bodies relating to the implementation of the accredited integrated catchment / regional plan and the management of the investment funds provided by those Parties and other investors.
35. The Partnership Agreement will identify:
- i) the accredited plan for which the relevant Parties will provide block investment funds;
  - ii) the respective investment amounts for salinity and water quality actions under the accredited integrated catchment / regional plan;
  - iii) agreed outcomes to be achieved;
  - iv) performance measures and milestones;
  - v) financial, legal and administrative arrangements, as necessary;
  - vi) accountability and reporting mechanisms; and
  - vii) compliance measures and penalties.
36. The Partnership Agreements provide the basis for block funding to the catchment / regional body to implement the actions in the accredited catchment / regional plan relating to salinity and water quality improvements.

## FUNDING PRINCIPLES

37. The Commonwealth's financial contribution of \$700 million over 7 years for implementation of this Agreement will be matched by new State / Territory financial contributions and be subject to the States and Territories:
- i) committing to implement the whole package of measures described in the Agreement covering regional arrangements, capacity building for communities, and improved policy frameworks for land and water resource management;
  - ii) contributing monies for block funding to regions that matches the Commonwealth contribution on a dollar-for-dollar cash basis in each region or, where the catchment / regional plan spans two jurisdictions the joint jurisdictional contributions will at least match the Commonwealth contribution on a dollar for dollar direct cash basis;
  - iii) contributing matching foundation funding for the development of region / catchment bodies, plans and initiatives, such as salinity mapping and modelling activities, that will provide data and information to specific catchments / regions as a basis for developing and implementing regional plans; and
  - iv) contributing monies for capacity building activities and communications strategies outlined in the Action Plan and in accordance with clause 24 and clause 50.
38. State and Territory financial contributions may include funding attached to measures announced since jurisdictions' 2000 Budgets, provided that that money is redirected to joint funding under this Agreement.
39. Commonwealth contributions will be available to a State / Territory once agreement is reached with that jurisdiction on the implementation of the whole package of measures through the signing of this Agreement.
40. Participating communities will be expected to make appropriate contributions under the Partnership Agreement.
41. The Parties affirm that the funds described in clause 37 will be new and additional resources, over and above the current funding in this area.
42. Block funding by the Parties to catchment / regional bodies under this Agreement will be in respect of salinity and water quality activities specified in accredited catchment / regional plans.
43. Funding to catchment / regional bodies for the implementation of catchment / regional plans will be through a mechanism, to be agreed as part of bilateral agreements, but which:
- i) delivers block funding to catchments / regions for actions relating to salinity and water quality improvements on the basis of clear investment principles;
  - ii) establishes a funding mechanism for each region, into which Commonwealth and matching State contributions and catchment / regionally-sourced investment contributions are paid;
  - iii) enables some foundation funding to be provided to the catchment / regional communities for the development or refinement of the integrated catchment / regional resource management plans; and
  - iv) allows monitoring, audit and reporting of financial arrangements.
44. Investment principles for determining priority funding of regional activities should include:
- i) the alignment of proposals with the objectives and elements of the National Action Plan, standards and priorities relating to salinity and water quality;
  - ii) the cost-effectiveness and return on investment measured against catchment / regional targets;

- iii) relative regional and individual funding contributions, commensurate with the public and private benefits accrued; and
  - iv) the extent to which the catchment / regional plan includes innovative strategies that encourage fundamental land and water resource management changes rather than just a focus on repair / rehabilitation projects.
45. On-going funding to catchment / regional bodies to implement catchment / regional plans will be dependent on the regional community satisfying agreed milestones and performance standards that are specified in Partnership Agreements to be developed as outlined in clause 34. The Commonwealth and individual States / Territories will review the Partnership Agreements jointly.
46. The Parties acknowledge that catchment / regional bodies may purchase services from Commonwealth / State / Territories for regional project development or implementation where they are the most appropriate supplier.

## **COMPENSATION**

47. The Parties agree that compensation to assist adjustment where property rights are lost will be addressed in developing catchment / regional plans noting that, while such compensation is the responsibility of the States and Territories, the Commonwealth is prepared to consider making an additional contribution, separate from the \$700 million mentioned above.

## **ACCOUNTABILITY**

48. The Parties agree to establish a suitable monitoring and evaluation program for the Action Plan that involves:
- i) annual reporting to the Ministerial Council, by the Parties, on implementation of the Action Plan, particularly
    - compliance with the land and water reforms elements of the Action Plan
    - performance against standards developed under clause 20;
  - ii) annual reporting by catchment / regional bodies to the Parties on progress with implementing their accredited catchment / regional plans, including progress against agreed targets, milestones and performance standards, and financial reports;
  - iii) independent auditing of progress against targets and financial management; and
  - iv) all reports being publicly available, including on the Internet.

## **COMMUNICATION PROGRAM**

49. The Parties acknowledge that a major public communication program is required to support widespread understanding of all aspects of the Action Plan so as to promote behavioural change to land and water resource management and community support for sustainable natural resource management policies and approaches.
50. Accordingly the Parties agree to jointly and individually develop and fund communication strategies that will promote public understanding of the importance of sustainable land, water resource and vegetation management and the importance of the components of the Action Plan.
51. In this regard, the Parties agree that their respective contributions will be fully recognised in the public presentation of activities supported under this Agreement.
52. Accordingly, the Partnership Agreements with regions will include a requirement that public acknowledgment of Commonwealth, State and Territory funding support for all activities undertaken under the Action Plan will be made on project signs, publications, and in regional promotion activities and that opportunities are provided for the Parties to be involved in promotional activities associated with the Action Plan.

## **SIGNATORIES**

**The Hon John W Howard MP  
Prime Minister of Australia**

**The Hon Robert J Carr MP  
Premier of New South Wales**

**The Hon Stephen P Bracks MP  
Premier of Victoria**

**The Hon Peter D Beattie MLA  
Premier of Queensland**

**The Hon John Olsen MP  
Premier of South Australia**

**The Hon Geoff I Gallop MLA  
Premier of Western Australia**

**The Hon Jim Bacon MHA  
Premier of Tasmania**

**The Hon Denis G Burke MLA  
Chief Minister of the Northern Territory**

**Mr Gary Humphries MLA  
Chief Minister of the Australian Capital Territory**