

**Schedule E – New South Wales – Queensland
Border Rivers Intergovernmental Agreement 2008**

This appendix is made pursuant to Schedule E of the New South Wales – Queensland Border Rivers Intergovernmental Agreement 2008. It creates the framework necessary to implement interstate trading of water entitlements.

The States agree to the following arrangements:

1. Trading Framework for Permissible Interstate Trades

**(i) Permanent Trade of a Supplemented/Regulated and
Unsupplemented/Supplementary water entitlement**

In Queensland, a permanent trade of a water entitlement is where:

- there is a transfer of ownership of the water allocation recorded on the Water Allocation Register,

In New South Wales, a permanent trade of a water entitlement is where:

- there is a transfer of ownership of the water access licence recorded on the Water Access Licence Register
- there is a transfer of unit shares to a water access licence recorded on the Water Access Licence Register

An interstate permanent trade is a tagged trade to the extent that the water entitlement continues to be registered in the state of origin but water may be taken through works located in the state of destination.

The water entitlement continues to be managed under the rules and management arrangements of the state of origin.

The works for taking water in the state of destination must be authorised by the relevant authority in the state of destination and linked to the water entitlement in the state of origin as follows:

In Queensland,

- approval given by the water service provider for supplemented water allocations, and
- approval given by the resource manager for unsupplemented water allocations

In New South Wales,

- reference to the works must be specified on the water access licence (for both regulated and supplementary licences).

The responsible authority for water ordering, water accounting and billing will be as follows:

In Queensland,

- the water service provider for water managed under supplemented water allocations, and

- the resource manager for water managed under unsupplemented water allocations
- In New South Wales,
- the water service provider for water managed under both regulated and supplementary licences.

(ii) Term trade of a Supplemented/Regulated and Unsupplemented/Supplementary water entitlement

In Queensland, a term trade is where a registered lease is recorded as an interest on a water allocation by the Water Allocation Registrar.

In New South Wales, a term trade is where a registered lease is recorded as an interest on a water access licence by the Water Access Licence Registrar.

An interstate term trade is a tagged trade to the extent that the water entitlement continues to be registered in the state of origin but water may be taken through works located in the state of destination.

The water entitlement continues to be managed under the rules and management arrangements of the state of origin.

The works for taking water in the state of destination must be authorised by the relevant authority in the state of destination and linked to the water entitlement in the state of origin as follows:

In Queensland,

- approval given by the water service provider for supplemented water allocations, and
- approval given by the resource manager for unsupplemented water allocations

In New South Wales,

- reference to the works must be specified on the water access licence (for both regulated and supplementary licences).

The responsible authority for water ordering, water accounting and billing will be as follows:

In Queensland,

- the water service provider for water managed under supplemented water allocations, and
- the resource manager for water managed under unsupplemented water allocations

In New South Wales,

- the water service provider for water managed under both regulated and supplementary licences.

(iii) Temporary Trade of Supplemented/Regulated Water

In Queensland and New South Wales a temporary trade of supplemented/regulated water is where water is transferred from the seller's individual storage account under

continuous accounting to a holding account managed by the water service provider in the state of origin.

Under the continuous accounting arrangements the holding account used for these transfers does not have a permanent share of the storage and water may only be stored to the extent that there is available air space within the general use accounts of the State of Origin. For this reason if an inflow occurs that would cause the storage to spill (either to the other state or downstream), the first water spilled is the water in the holding account.

The water entitlement continues to be managed under the rules and management arrangements of the state of origin.

The works for taking water in the state of destination must be authorised by the relevant authority in the state of destination and the purchaser must obtain approval from the Water Service Provider in the State of Origin to use the nominated works in the state of destination for the taking of water under the interstate temporary trade.

The water service provider in the state of origin will continue to be responsible for water ordering, water accounting and billing.

(iv) Temporary Trade of Unsupplemented/Supplementary Water

In Queensland:

A temporary trade of unsupplemented water is where the rights to access future unregulated flows may be assigned to another party for the remainder of the water year. The purchaser must obtain a seasonal water assignment notice from the resource manager in the state of origin which specifies a diversion rate, a maximum volume of water that may be taken and the works for taking water in the State of Destination.

The seasonal water assignment notice is managed under the rules and management arrangements of the state of origin.

The works for taking water in the state of destination must be authorised by the relevant authority in the state of destination.

The resource manager in the state of origin will be responsible for water accounting and billing.

In New South Wales:

A temporary trade of supplementary water is where application is made to assign account water to another party.

Temporary trade of supplementary account water requires the purchaser to hold a supplementary water access licence (Supplementary WAL).

The works for taking water in the state of destination must be authorised by the relevant authority in the state of destination and reference to the works must be specified on the Supplementary WAL.

Temporary trading of supplementary account water must comply with the rules and management arrangements of the state of origin.

The water service provider in the state of origin will be responsible for water accounting and billing.

2. Communication

The States will ensure the efficient communication of relevant documents, records and information. This includes:

- Water orders;
- Data from meter readings;
- Information relating to any discrepancies following a meter reading cycle;
- Information regarding any potential compliance issues;
- Any works reference changes;
- Volumes of water taken under a tagged trade for the purpose of reporting to the Murray Darling Basin Authority; and
- Any other information which the States believe is relevant to discharging their duties as resource managers and water service providers.

To communicate the information outlined above, the States will ensure that the necessary protocols are in place to allow for effective communication between all relevant parties. This includes, but is not limited to, the States as resource managers, and any water service providers engaged in the process of interstate water trades.

3. Water Ordering

Water to be taken under a tagged trade will be ordered by customers directly from the State of Origin. Protocols must be in place to ensure the transfer of water order details and the notification of use to the State of Destination.

4. Metering

(i) Measurement

Water taken under a tagged trade must be measured by a water meter in accordance with the requirements of the State of Destination. The ownership of the water meter and the ongoing maintenance of the water meter will be subject to the State of Destination policies and procedures.

(ii) Transfer of Metering Data

The State of Origin must obtain meter reading details from the water entitlement holder and a protocol must be in place to ensure that these details are transferred to the State of Destination. The details must include: the date and time upon which the pumping of water taken under a tagged trade commenced; the meter reading at commencement of pumping; the date and time upon which the take of water under a tagged trade ceases; and, the meter reading upon ceasing the take of water.

(iii) Discrepancies Following a Meter Cycle

A protocol must be in place to notify the State of Origin if any discrepancies following a meter reading cycle are discovered by the State of destination.

(iv) Compliance Issues

If either state becomes aware of a potential compliance issue involving traded water, such information is to be relayed to the other state as soon as it is practical to do so.

The states will work together (with water service providers where necessary) to investigate and resolve compliance issues.

5. Transfer of Works Details

The State of Origin must maintain a record of the works being used to take water under an interstate trade.

Information regarding any changes to the record of works must be transferred to the State of Destination in accordance with a protocol.

6. Reporting to the Murray Darling Basin Authority

The State of origin will be responsible for accounting and reporting the volumes of water taken under a tagged trade to the Murray Darling Basin Authority in accordance with the *Water Act (Cth) 2007*.

7. Contractual Arrangements Between States and Water Service Providers

The States will ensure that agreements are in place between the water service providers and the resource managers to allow for the trading of water prior to the commencement of interstate trading of water entitlements.

8. Cost Arrangements and Billing

(i) Costs Covered

Costs covered by this agreement include water charges levied by the State of Origin, and costs incurred by the State of Destination which arise from the interstate trading provisions of the New South Wales – Queensland Border Rivers Intergovernmental Agreement 2008, including this appendix.

(ii) Division of Costs

The State of Origin is to recoup water charges from the water entitlement holder based on the State of Origin's water charges. The State of Origin must reimburse the State of Destination for any costs incurred under the interstate trading provisions of the New South Wales – Queensland Border Rivers Intergovernmental Agreement 2008, including this appendix.

(iii) Payment arrangements

Where costs are incurred by the State of Destination through implementing the interstate trading provisions of the New South Wales – Queensland Border Rivers Intergovernmental Agreement 2008, including this appendix, the parties agree to negotiate in good faith a process to allow for financial transfers and reconciliations.

9. Restrictions on Trade

Interstate trades of water entitlements are prohibited:

- on the Dumaresq River upstream of the Pike Creek junction; and
- on the Barwon River downstream of Mungindi Weir.

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Works for taking water

Water taken under a Tagged Trade is required to be taken through works authorised in the State of Destination.

Protocol for transfer of information for new works or a change to existing works for taking water

The State of Origin is required to:

- maintain a record of the works being used to take water under a Tagged Trade in the State of Destination, and
- transfer information to the State of Destination following any change to the record of works:
 - the transfer of information is required to be in writing
 - the transfer is required to be made within five (5) business days of making a change to the record of works.
 - the information to include but not be limited to the State of Destination works approval reference number, description of works, location, the date of linking the works to the water entitlement and water meter details
 - for new works attach a copy of the works approval and for existing works provide details of changes

The State of Destination is required to:

- carry out an inspection of the works when necessary,
- acknowledge receipt of information from state of origin within three (3) business days
- make adjustments to water recording systems as required

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Water measurement data

Water taken under a Tagged Trade is required to be measured by an approved water meter in the State of Destination and the State of Origin is responsible for the collection of water meter details at the time of the water delivery.

Protocol for transfer of water metering data

Water metering data

The State of Origin is required to:

- collect water meter data from the water entitlement holder within 24 hours of ceasing to take water
- the transfer of information to the State of Destination is to be in accordance with the following:
 - the transfer of information is required to be in writing
 - the transfer of information is required to be made within three (3) business days of collecting the water meter data.
 - the information is to include but not be limited to –
 - the works reference number and meter serial number
 - the water entitlement holders name
 - the water entitlement reference number
 - the date, time and meter reading at the commencement of take
 - the date, time and meter reading at the cessation of take

The State of Destination is required to:

- acknowledge receipt of the information from State of Origin within two (2) business days

Meter reading reconciliation

Where the State of Destination becomes aware of a discrepancy following a routine meter reading cycle, the State of Destination is required to:

- notify the State of Origin of the discrepancy
- transfer information to the State of Origin regarding the discrepancy

- the transfer of information is required to be in writing
- the transfer of information is required to be made within five (5) business days of collecting the water meter data.
- the information should include but not be limited to –
 - the works reference number and meter serial number
 - the water entitlement holders name
 - the water entitlement reference number
 - the date and meter reading for the current meter reading cycle
 - the date and meter reading for the previous meter reading cycle
 - a statement that reconciles water orders against meter readings
 - details of the discrepancy

The state of origin is required to:

- review the information provided by the State of Destination, and
- acknowledge receipt of the information from State of Destination within five (5) business days and provide advice about the discrepancy.

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Water ordering

Supplemented/Regulated water to be taken under a Tagged Trade is required to be ordered by the water entitlement holder directly from the State of Origin.

Protocol for transfer of water ordering details

The State of Origin is required to:

- maintain a record of the water orders received from water entitlement holders to take Supplemented/Regulated water under a Tagged Trade in the State of Destination, and
- prior to accepting a water order, provide information to the State of Destination regarding the water order received in accordance with the following:
 - the transfer of information is required to be in writing
 - the information is required to be made prior to the close of business on the day the water order is received
 - the information is to include but not be limited to the –
 - water entitlement holders name,
 - water entitlement reference number,
 - works reference number,
 - volume of water ordered,
 - date of commencing to take water ordered,
 - rate of taking water ordered, and
 - date of ceasing to take ordered water

The State of Destination is required to:

- acknowledge receipt of information from State of Origin within one (1) business day and provide advice according to the following -
 - where the water order does not interfere with water deliveries in the State of Destination, confirm with the State of Origin that there are no objections to the water order
 - where the water order does interfere with water deliveries in the State of Destination, advise the State of Origin that there is an issue with the water order and provide the relevant details. Where applicable, the states are to work collaboratively to resolve the issue.