1. The Intergovernmental Agreement on Murray-Darling Basin Reform of July 2008 commits the Queensland, New South Wales, Victoria, South Australia and Australian Capital Territory Governments (the Basin States) to use best endeavours to pass legislation to provide for a limited text referral of State powers to the Commonwealth. This will enable the Commonwealth, to amend its *Water Act 2007* (C’th Water Act) to put in place new Murray-Darling Basin (MDB) arrangements before 1 November 2008.
2. A Commonwealth/Basin States Referral Working Group has developed the: (a) amended MDB Agreement; (b) amended C’th Water Act; (c) Water (Commonwealth Powers) Bill 2008(MDB Referral Bill); and (d) Referral IGA. This package will:

* Transfer the role and functions of the existing MDB Commission, MDB Ministerial Council and Community Advisory Committee to the new MDB Authority and Basin Community Committee, Basin Officials Committee and new Ministerial Council.
* Enable the Commonwealth Basin Plan provide for critical human water needs.
* Extend the water charge and market rules and the role of the Australian Competition and Consumer Competition (ACCC) under the C’th Water Act to all entities and transactions and to allow a Basin State to elect to ‘opt in’ to extend this framework outside the MDB.

1. The referral of powers is limited to water management in the MDB except for the ‘opt-in’ option to extend the water charging role of the ACCC outside the MDB. The rights to the use, flow and control of water remains vested in the State under the *Water Act 2000* (Qld). Whilst the State retains power to allocate water in the MDB, it is subject to the concurrent operation of the C’th Water Act and the role of the C’th Minister and new MDB Agreement in implementing the MDB Basin Plan, based on the Commonwealth’s own constitutional powers.
2. The 1 November 2008 timeframe can only be met if all Basin States introduce and pass the MDB Referral Bill before the Commonwealth introduces the C’th Water Amendment Bill into the Federal Senate, having first passed the House of Representatives.
3. Cabinet endorsed the Murray-Darling Basin Agreement and the Referral Inter-governmental Agreement for signing by the Premier.
4. Cabinet approved the Water (Commonwealth Powers) Bill 2008 and Explanatory Notes.
5. Cabinet noted that New South Wales has passed and commenced its *Water (Commonwealth Powers) Act 2008*, South Australia has introduced its *Water (Commonwealth Powers) Bill 2008* into the South Australia Lower House due for debate in both houses during the October 14, 15 and 16 sittings, and the Commonwealth has introduced its *Water Amendment Bill 2008* into the House of Representatives.
6. *Attachments*

* [Murray-Darling Basin Agreement](attachments/Murray_Darling_IGA.pdf)
* [Water (Commonwealth Powers) Bill 2008](attachments/Water%20Commonwealth%20Powers%20Bill.pdf)
* [Explanatory Notes](attachments/WaterCommPB08Exp.pdf)