NATIONAL WATER RESOURCES (FINANCIAL ASSISTANCE) BILL 1978

Date Introduced: 23 February 1978
House: House of Representatives
Presented by: Hon. K.E. Newman, M.P.,
Minister for National Development

Purpose

To establish the machinery whereby the Commonwealth may make agreements with the States to provide financial assistance to them for water resources projects.

Background

The National Water Resources (Financial Assistance) Bill 1977 was introduced in the House of Representatives on 27 October 1977 but had not been passed when Parliament was dissolved. That Bill is now being re-submitted with minor changes.

Projects selected under the Commonwealth's National Water Resources Program will be authorised by agreements under this legislation. The then Minister for National Resources announced on 17 August 1977 his intention to bring forward a new national water resources program for the Commonwealth. The Government announced details of its new National Water Resources Program in the 1977 election campaign. The program will be spread over five years with the Commonwealth contributing up to $200 million and seeking matching dollar for dollar contributions from the States. The program will be drawn up according to State priorities and will embody a national approach to the assessment, planning, development and management of water resources. It will cover expenditure on such items as irrigation projects, water purification and quality management, flood irrigation works, flood plain management, land drainage, water supply and conservation and water resources assessment and research. The Opposition also announced its policy for water resources projects during the election campaign.

Estimated expenditure by the Commonwealth in 1977-78 for irrigation and other pastoral water projects, is $14.9m, including a grant of $1.0m to N.S.W. for flood mitigation works (1977-78 Budget). Additional expenditure for 1977-78, announced by the Government during the 1977 election campaign, is an estimated grant of $1.5m to
Queensland, on a matching dollar for dollar basis, for completion of the Gin Gin Channel in the Bundaberg Irrigation Works proposal.

The report of the current Senate Standing Committee Inquiry into Water Resources is expected to be released by about mid 1978. This Inquiry is examining methods for the establishment of priorities and the raising of funds for water resources projects.

Provisions

Clause 3 broadly defines "project" for which the Commonwealth will be able to provide financial assistance. Clause 4 provides for the making of agreements between the Commonwealth and the States in respect of such assistance and clause 5 makes payable to the States, financial assistance in accordance with such agreements. Agreements may specify conditions to which the grant is subject (sub-clause 4(3)). All agreements must be tabled in each House within 15 sitting days after they are made (clause 6).

Sub-clause 7(1) provides for a grant of up to $2.5 million (an increase of $1.5m from the previous Bill) to be payable from the CRF during 1977-78. According to the Second Reading Speech, $1m of this will be paid to New South Wales for flood mitigation works on coastal rivers and $1.5m will be available to Queensland for the Gin Gin Channel. Sub-clause 7(2) provides for other payments under this Bill to be made from moneys to be made available under an appropriation by Parliament.

A State will only be entitled to financial assistance from the Commonwealth in respect of expenditure for water resources projects provided that the State furnishes an audited statement of the expenditure (paragraph 9(a)) and such further information as the Minister for Finance requires (paragraph 9(b)).

Such assistance to the States will be subject to certain conditions regarding progress reports, access to records etc. (sub-clause 10(1)). The States will also be required to repay to the Commonwealth any excess amounts received under this Bill (sub-clause 10(2)).

Implications

By way of this Bill and future appropriations, Commonwealth financial assistance to the States for water resources projects will now be given through standing legislation. Such assistance will now be determined by agreements between the Commonwealth and the States and subsequent Departmental appropriation from the CRF. This will save the need for separate legislation for each project to which the Commonwealth contributes.

Finance, Industries, Trade and Development Group

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