**RIVER MURRAY WATERS (DARTMOUTH RESERVOIR) BILL 1971**

**Legislative Assembly, 11 March 1971, pages 3996-4000**

Second reading

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

The Hon. D. A. DUNSTAN (Premier and Treasurer) obtained leave and introduced a Bill for an Act to ratify and approve an agreement relating to financial assistance for the construction of the Dartmouth reservoir and for other purposes. Read a first time.

The Hon. D. A. DUNSTAN: I move: That this Bill be now read a second time.

It seeks the approval of Parliament to an agreement between the Commonwealth and the States of New South Wales, Victoria and South Australia for provision of Commonwealth financial assistance to the States in respect of their shares of the cost of construction of the Dartmouth reservoir in Victoria. This Bill is a companion to another measure introduced into this House relating to amendments to the River Murray Waters Agreement mainly for providing for the construction of the Dartmouth reservoir as a work under that agreement, the cost of the project to be shared equally among the Commonwealth and the States of New South Wales, Victoria, and South Australia.

During the inter-Government discussions that led to the decision for construction of the reservoir as a work under the River Murray!, Waters Agreement, the Governments of the three States concerned all indicated that they fully agreed with the desirability of going! ahead with the project as quickly as possible, but each of those Governments stated that it was not able to provide its one-quarter share of the cost in full, because of other commitments. In view of the great national importance of the project, the Commonwealth offered to provide assistance by way of loan to each of the three States to enable them to complete the financing of their shares of the cost. The three States accepted the Commonwealth’s offer, and the agreement now before the House incorporates the arrangements that have been agreed between the Governments for the provision of financial assistance. Under the agreement, the Commonwealth will provide assistance in amounts equal to one-half of each amount a State is required to pay from time to time to the River Murray Commission in respect of its share of the cost of construction of the project.

The last estimate of the cost of the project was $57,000,000. If the estimated cost of the work rises, the Commonwealth will continue to provide financial assistance towards the States’ share of a cost up to $62,700,000, that is, 10 per cent above the last estimate. Under clause 4 of the agreement, a maximum amount of assistance of $7,837,500 is provided for each State to meet its share of a maximum cost of $62,700,000. However, it has been agreed that the arrangements for financing the cost of the project above $62,700,000 will be reviewed if the estimated cost rises above that figure. Under the arrangements as described the Commonwealth will be contributing its own one-quarter share of the cost of the project and will be assisting the States by making available a further three-eighths of the cost. The three States will repay each Commonwealth payment in 30 equal half-yearly instalments commencing 10 years from the date each advance was received from the Commonwealth.

Interest will be paid by each State on the outstanding balance of each Commonwealth payment calculated at half-yearly intervals from the time each Commonwealth payment is made. Interest will be payable at a rate equal j to the yield to maturity on the long-term, Commonwealth securities that were last issued; in Australia for public subscription before each advance is received from the Commonwealth. The agreement also contains a number of machinery provisions of a kind similar to those embodied in recent Commonwealth-State agreements for the grant of special Commonwealth financial assistance for major developmental projects in the States. I commend the Bill to the House.