

# PROJECT AGREEMENT FOR THE GREAT ARTESIAN BASIN SUSTAINABILITY INITIATIVE (PHASE FOUR)

Council of  
Australian  
Governments

An agreement between:

- the **Commonwealth of Australia**; and
- the **States and Territories of**
  - ◆ New South Wales,
  - ◆ Queensland,
  - ◆ South Australia, and
  - ◆ the Northern Territory.

The output of this project will be strategic investments in groundwater infrastructure renewal and related activities to support the sustainable management of Great Artesian Basin groundwater resources.

# Project Agreement for the Great Artesian Basin Sustainability Initiative (Phase Four)

## INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

### PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.
2. This Agreement, through strategic investments in groundwater infrastructure renewal and related activities, will support the sustainable management of Great Artesian Basin (Basin) groundwater resources.
3. The Great Artesian Basin Sustainability Initiative (GABSI), which commenced in 1999, aims to conserve and manage a large volume of Australian water resources on a sustainable basis. The overarching policy objectives of the GABSI are to:
  - (a) achieve a sustainable and on-going groundwater management system for the Basin;
  - (b) explore, over the next three years, new Basin wide governance arrangements for the Basin;
  - (c) work towards state Basin water management frameworks which account for all forms of take;
  - (d) work towards a science based understanding of extraction volumes and related management regimes;
  - (e) improve water pressure within Basin aquifers that support high value Basin-dependent springs;
  - (f) develop partnerships between government, industry and the community in the sustainable management and use of the groundwater resources of the Basin, both within and across State borders; and
  - (g) improve knowledge of Basin water resources and mechanisms for data collection.
4. Implementation of this Agreement will be consistent with the objectives and outcomes of all agreements between the Parties including the Intergovernmental Agreement on a National Water Initiative.
5. This Agreement constitutes the entire agreement for this project.

## PART 1 – FORMALITIES

### Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the States and Territories (the States) of New South Wales, Queensland, South Australia and Northern Territory.

### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and one other Party sign the Agreement and will expire on 30 June 2017 or on completion of the project whichever is earlier, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

## PART 2 – OUTPUTS

### Outputs

8. The outputs of this Agreement will be:
  - (a) recovery of water and water pressure within the Basin through replacement of old bores legally operating in an uncontrolled state with controlled bores and efficient, controlled watering systems; and
  - (b) restoration of critical infrastructure assets.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Assessment Guidelines and Project Eligibility Criteria

9. Schedule A of this Agreement sets out agreed Assessment Guidelines and Eligibility Criteria for the delivery of the GABSI (Phase Four).
10. The Commonwealth and the States will meet the responsibilities assigned to them in Schedule A.

### Role of the Commonwealth

11. In addition to the roles and responsibilities set out in Schedule A, the Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against milestones in the delivery of the GABSI (Phase Four) under this Agreement;
  - (b) providing a financial contribution to the States to support the implementation of this Agreement;
  - (c) in accordance with the *Fair Work (Building Industry) Act 2012*, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme where applicable is contracted; and
  - (d) ensuring that compliance with the Building Code 2013 as amended from time to time where applicable is a condition of Australian Government funding.

## Role of the States and Territories

12. In addition to the roles and responsibilities set out in Schedule A, the States will be responsible for:
  - (a) providing a financial contribution to support the implementation of this Agreement;
  - (b) notifying the Commonwealth within 30 days of any variations to the agreed project lists, including changes which affect agreed projects (for example where projects are terminated or proposed to be substituted) and project milestones which may require amendments to bilateral schedules to this Agreement.
  - (c) all aspects of delivering on the project outputs set out in this Agreement;
  - (d) reporting on the delivery of outputs as set out in Part 4—Project Milestones, Reporting and Payments and the schedules to this Agreement;
  - (e) Where applicable, ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
  - (f) Where applicable, ensuring that compliance with the Building Code 2013 is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.

## Shared roles

13. The Commonwealth and the States will be jointly responsible for developing and agreeing bilateral schedules, in accordance with Schedule A to this Agreement:
  - (a) within three months of signing this Agreement, a bilateral schedule containing a list of projects and project milestones to be completed by 30 June 2016 (Stage 1); and
  - (b) by 30 September 2016, a bilateral schedule containing a list of projects and project milestones to be completed by 30 June 2017 (Stage 2).
14. The Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

## PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

15. Achievement of the outputs of this Agreement will be assessed against the milestones to be agreed in bilateral Schedules to this Agreement.
16. In 2014-15 only, the first project milestone may be defined in terms of planning work required to be undertaken before projects can commence. The requirements of the milestone may vary depending on jurisdictional differences. However, payments for achievement of this milestone will total a maximum of \$450,000 for all jurisdictions. Payments associated with this milestone are only available where a report, due in 2014-15, is provided to the Commonwealth and demonstrates completion of the milestones.
17. All subsequent project milestones will be defined in terms of:

- (a) estimates using best available information of volume of water and water pressure recovered through replacement of old bores legally operating in an uncontrolled state with controlled bores and efficient, controlled watering systems; and
- (b) improvement in the pressure in the formation in which the water is saved or equal measure of resource health.

## Reporting arrangements

- 18. Each State will provide an annual completion report by 30 April each year as set out in bilateral schedules to this Agreement.
- 19. The annual completion report will contain the following information:
  - (a) a certificate of attainment of practical completion for each complete project;
  - (b) number and cost of eligible bores rehabilitated or capped;
  - (c) number, length and cost of controlled watering systems installed;
  - (d) length of open bore drains replaced;
  - (e) estimates using best available information of volume of water recovered permanently for the environment;
  - (f) number and cost of bores rehabilitated and/or piped that have a significant impact on pressure recovery for Basin dependent springs; and
  - (g) details of any matters that have arisen which could adversely impact on the delivery of the output, and how the States propose to resolve these matters.
- 20. In addition to the information required under clause 19, the final annual report due by 30 April 2017 will also:
  - (a) describe the conduct, benefits and outcomes of the projects including factors which have influenced their delivery; and
  - (b) where projects capture data from metering and bore pressure devices as per Schedule A clause A7 set out where the data has been stored and the access and user arrangements applicable to the data.
- 21. For the purposes of this Agreement practical completion means:
  - (a) works are completed except for minor defects or omissions, which do not prevent the works being used for their stated purpose;
  - (b) all scheduled tests of new infrastructure have been undertaken, are successful and demonstrate operational performance as expected; and
  - (c) works are fit for the designated use.

## PART 5 – FINANCIAL ARRANGEMENTS

- 22. The Commonwealth will provide a total financial contribution to the project of up to \$15.0 million in respect of this Agreement. All payments are GST exclusive.

23. Project payments will be made annually following provision of an annual completion report in accordance with clauses 18 and 19 of this Agreement.
24. For projects certified as completed in the annual completion report:
  - (a) the Commonwealth will make a financial contribution of 50 per cent of the estimated total cost of such a project up to the Commonwealth's total agreed financial contribution for the project specified in the bilateral schedule for the relevant State; and
  - (b) for all States, the Commonwealth's total financial contribution for all projects will not exceed the amounts set out in Table 1 of this Agreement.
25. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners through innovative and collaborative partnerships.
26. The Commonwealth's and the State's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with Schedule D — Payment Arrangements of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 1.

**Table 1: Estimated financial contributions**

(\$ million)	2014-15	2015-16	2016-17	Total
<b>Estimated total budget</b>	6.1	12.5	12.3	30.9
Less estimated National Partnership Payments	3.0	6.0	6.0	15.0
Commonwealth own purpose expenses <sup>a</sup>	0.1	0.5	0.3	0.9
<b>Balance of non-Commonwealth contributions<sup>b</sup></b>	<b>3.0</b>	<b>6.0</b>	<b>6.0</b>	<b>15.0</b>

<sup>a</sup> These funds will be used by the Commonwealth for programme management costs.

<sup>b</sup> Non-Commonwealth contributions include State and Territory, and landholder contributions.

27. Having regard to the agreed estimated costs of projects specified in a Project Agreement, a State or Territory will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, the States bear all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States to deliver projects cost effectively and efficiently.

## **PART 6 – GOVERNANCE ARRANGEMENTS**

### **Enforceability of the Agreement**

28. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

### **Variation of the Agreement**

29. The Agreement may be amended at any time by agreement in writing by all the Parties.
30. Schedules to this Agreement that have no impact on other Parties to this Agreement may be amended at any time by agreement in writing by the relevant Commonwealth and State portfolio ministers.
31. The States will notify the Commonwealth within 30 days of any variations which require amendments to projects listed in the bilateral schedules to this Agreement. Where a State fails to notify the Commonwealth within 30 days of any variations which may require amendments to projects agreed in bilateral schedules to this Agreement, the Commonwealth may withhold payment in part or in full.
32. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all Parties in writing.

### **Delegations**

33. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### **Dispute resolution**

34. Any Party may give notice to other Parties of a dispute under this Agreement.
35. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
36. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth  
of Australia by*

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**The Honourable Bob Baldwin MP**

Parliamentary Secretary to the Minister for the  
Environment

\_\_\_\_\_ 2015

*Signed for and on behalf of the  
State of New South Wales by*

\_\_\_\_\_

**The Honourable Niall Blair MLC** Minister  
for Lands and Water

*N/B*  
\_\_\_\_\_ 2015

*Signed for and on behalf of the  
State of Queensland by*

\_\_\_\_\_

**The Honourable Dr Anthony Lynham MP**  
Minister for Natural Resources and Mines

\_\_\_\_\_ 2015

*Signed for and on behalf of the  
State of South Australia by*

\_\_\_\_\_

**The Honourable Ian Hunter MLC**  
Minister for Sustainability, Environment and  
Conservation

\_\_\_\_\_ 2015

*Signed for and on behalf of the Northern  
Territory by*

\_\_\_\_\_

**The Honourable Willem Westra van Holthe  
MLA**  
Minister for Land Resource Management

\_\_\_\_\_ 2015

The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth of Australia by*

**The Honourable Bob Baldwin MP**

Parliamentary Secretary to the Minister for the Environment

\_\_\_\_\_ 2015

*Signed for and on behalf of the State of New South Wales by*

**The Honourable Kevin Humphries MP**

Minister for Natural Resources, Lands and Water

\_\_\_\_\_ 2015

*Signed for and on behalf of the State of South Australia by*

**The Honourable Ian Hunter MLC**

Minister for Sustainability, Environment and Conservation

\_\_\_\_\_ 2015

*Signed for and on behalf of the State of Queensland by*

**The Honourable Dr Anthony Lynham MP**

Minister for Natural Resources and Mines

*2/5* \_\_\_\_\_ 2015

*Signed for and on behalf of the Northern Territory by*

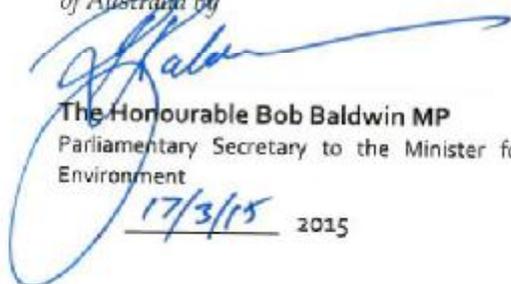
**The Honourable Willem Westra van Holthe MLA**

Minister for Land Resource Management

\_\_\_\_\_ 2015

The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth  
of Australia by*



**The Honourable Bob Baldwin MP**  
Parliamentary Secretary to the Minister for the  
Environment

17/3/15 2015

*Signed for and on behalf of the  
State of New South Wales by*

**The Honourable Kevin Humphries MP**  
Minister for Natural Resources, Lands and Water

\_\_\_\_\_ 2015

*Signed for and on behalf of the  
State of Queensland by*

**The Honourable Dr Anthony Lynham MP**  
Minister for Natural Resources and Mines

\_\_\_\_\_ 2015

*Signed for and on behalf of the  
State of South Australia by*

**The Honourable Ian Hunter MLC**  
Minister for Sustainability, Environment and  
Conservation

\_\_\_\_\_ 2015

*Signed for and on behalf of the Northern  
Territory by*



**The Honourable Willem Westra van Holthe  
MLA**

Minister for Land Resource Management

17/3 2015

# Assessment Guidelines and Project Eligibility Criteria

## PROJECT AGREEMENT ON THE GREAT ARTESIAN BASIN SUSTAINABILITY INITIATIVE

### ASSESSMENT GUIDELINES

- A1 These Assessment Guidelines provide advice to assist the States in preparing bilateral schedules of eligible projects for funding under the GABSI (Phase Four).
- A2 The Commonwealth agrees to assess the project lists on a State by State basis for inclusion as bilateral schedules to this Agreement in accordance with the Assessment Guidelines set out in this Schedule.
- A3 The State Minister will provide to the Commonwealth Minister two lists of proposed projects for the term of this Agreement which contain the details of each project including:
- (a) the estimated costings and completion date for each activity under each project;
  - (b) the proposed funding formulas to be applied to each project (including details of proposed Commonwealth, State, third party and other contributions, where relevant);
  - (c) relevant milestones for each project (for example, estimated water savings, expected improvement in water pressure near Basin-dependant springs, etc);
  - (d) a description of the selection process for each project, including the method by which the voluntary interest of eligible third parties for assistance under the Program has been called for and assessed; and
  - (e) a description of the methods adopted to design and implement each project and, where necessary, justification for the particular approach taken.
- A4 States may include cash and in-kind contributions in estimating the cost of each proposed project. Only direct costs associated with the GABSI are acceptable as such contributions. Administration items incurred and salaries and wages for officers spending less than 20 per cent of their time on the GABSI, should not be included.
- A5 In considering whether to agree to the list of proposed projects submitted by the State, the Commonwealth Minister will take into account for each project:
- (a) consistency with the project eligibility criteria in this Schedule and the outputs of this Agreement;
  - (b) the transparency and equity of the process used to select projects;
  - (c) the 'value for money' of the projects, having particular regard to the cost of each proposed project compared to the water estimated to be saved for the environment and the degree of protection to high value natural springs afforded by such a project;

- (d) the performance achieved by the State against relevant milestones for the previous financial year, as reported in the annual completion report for that year; and
  - (e) the amount of funding available each financial year for this purpose.
- A6 Should the Commonwealth agree to the proposed project, payments will be made on a matched basis subject to the State achieving milestones specified in the bilateral schedules to this Agreement.
- A7 A State will give priority to capping and piping projects that include an agreement by the landholder to install a meter or bore pressure device consistent with the Australian standard.
- A8 States should give notice to landholders that projects for which land holders agree to monitoring and metering will be given priority funding.
- A9 States will provide evidence in each performance report as to how the requirements of clauses A5, A7 and A8 have been given effect.

## PROJECT ELIGIBILITY CRITERIA

- A10 Projects and activities that are eligible for funding under the GABSI (Phase Four) include:
- (a) rehabilitation or replacement of old bores legally operating in an uncontrolled state with controlled bores and efficient, controlled watering systems, particularly where such works will maintain or improve the flow of water to high value Basin dependant springs;
  - (b) rehabilitation or replacement where there has been a critical failure of infrastructure assets previously rehabilitated under earlier programs jointly funded by the Parties, due to the impact of highly corrosive areas or a generic failure of technology not due to poor workmanship but not including normal maintenance costs;
  - (c) activities to encourage best practice approaches to maintaining water extraction and distribution infrastructure;
  - (d) activities that address critical infrastructure failure;
  - (e) activities to promote partnerships between government, industry and the community in the sustainable management and use of the groundwater resources of the Basin, both within and across State borders; and
  - (f) activities to investigate other water wastage issues in the Basin, provided such projects do not duplicate other measures able to be funded under other Commonwealth programs.
- A11 At least 50 per cent of estimated savings from metered projects will be directed to restoring pressure to the formation in which it is saved in the Basin and must not be reallocated by the States for consumptive purposes.
- A12 At least 70 per cent of estimated savings from unmetered projects will be directed to restoring pressure to the formation in which it is saved in the Basin and not be reallocated by the States for consumptive purposes.
- A13 All projects under A10 (a) and (b) require third party financial contributions. States may determine the quantum of third party contributions required for eligibility under this clause.