

PROJECT AGREEMENT FOR THE ENVIRONMENT RESTORATION FUND – THE SECOND CREEK OUTFALL PROJECT

An agreement between:

- the Commonwealth of Australia; and
- the State of South Australia.

The output of this project will be the provision of an upgrade of gross pollutant trap (GPT) infrastructure located at the Second Creek outfall into the River Torrens to improve water quality in the River Torrens downstream of Second Creek.

Project Agreement for the Environment Restoration Fund – The Second Creek Outfall Project.

OVERVIEW

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.

Purpose

2. This Agreement aims to deliver improved water quality by reducing gross pollutants in the River Torrens downstream of Second Creek. This will be achieved by upgrading Gross Pollutant Trap (GPT) infrastructure to improve the interception of litter and gross pollutants at the Second Creek outfall into the River Torrens. The upgraded GPT infrastructure will provide enhanced waste interception and be better able to sustain overall environmental condition both at the site and downstream of it, even under high flow conditions.

Reporting Arrangements

3. South Australia will report annually on progress in delivering the agreed project outputs during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

4. The Commonwealth will provide a total financial contribution to South Australia of \$450,000 (the project funds), exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

5. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of South Australia (South Australia).

Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and South Australia sign it and will expire on 30 June 2023 or when all of the project funds have been expended for the purposes of the Agreement, 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 – PROJECT OUTPUTS

Outputs

8. The outputs of this agreement will be the upgrade of Gross Pollutant Trap (GPT) infrastructure to improve their performance at the Second Creek outfall into the River Torrens. This will involve:
 - (a) the construction of a trash rack; and
 - (b) upgrading the existing floating boom infrastructure to improve litter collection.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

9. The Commonwealth will be responsible for:
 - (a) monitoring and assessing progress in the achievement of the agreed project outputs in the delivery of the Environment Restoration Fund – 'The Second Creek Outfall Project' under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
 - (b) providing a consequent financial contribution to South Australia to support the implementation of this Agreement.

Role of South Australia

10. South Australia will be responsible for:
 - (a) all aspects of delivering on the project outputs set out in this Agreement and seeking the Commonwealth's agreement to any changes to works;
 - (b) convening a governance group over the life of the project that:
 - i. provides input to determine the most cost-effective use of the Commonwealth's investment during the life of the Agreement; and
 - ii. oversees the impact and effectiveness of the investment actions.
 - (c) ensuring any project restoration works do not cause any detrimental or irreversible impact to natural processes, adjacent coastal areas and/or sites of Aboriginal significance;
 - (d) ongoing monitoring and evaluation of actions undertaken to assess the impact of interventions, to inform longer term management; and
 - (e) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

Shared roles

11. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, 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

12. Table 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the annual performance report demonstrating satisfactory progress with the delivery of the agreed project outputs.

Table 1: Performance requirements, reporting and payment summary

| Outputs | Performance milestones or benchmarks | Report due | Payment |
|---|---|-----------------|------------------|
| <ul style="list-style-type: none"> - Construction of a trash rack; - Upgrade of existing floating boom infrastructure to improve litter collection. | Submission and acceptance of a project plan and associated budget detailing on ground actions to be implemented from 2020-21 to the conclusion of the project. | 30 October 2020 | \$50,000 |
| | Submission and acceptance of a report detailing the works undertaken during 2020-21, and learnings from the associated monitoring and evaluation program to assess the impact and effectiveness of those works. | 15 April 2021 | \$350,000 |
| | Submission and acceptance of a final monitoring and assessment report, including an evaluation of the impacts and effectiveness of the works undertaken, and recommendations for future management actions. | 15 Sept 2021 | \$50,000 |
| | Total: | | \$450,000 |

13. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the delivery of project outputs is progressing to the satisfaction of the Commonwealth, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

Reporting arrangements

14. South Australia will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain the following information:
 - (a) a description of actual performance of South Australia in the period to date against the project outputs, including a statement as to whether the project is proceeding in accordance with the expected delivery of project outputs and, if it is not, an explanation as to why and the action South Australia proposes to take to address the matter/s;

- (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the outputs, and how South Australia propose to resolve this/these matter(s); and
 - (c) a description of the work that will be undertaken to complete the remaining project outputs.
15. South Australia will also prepare a final Project Report on the completion of the project agreed under the Project Agreement. The final Project Report will be a standalone document that can be used for public information dissemination purposes. The final Project Report will:
- (a) describe the short-term outcomes (those to be delivered within the life of the project), outputs and learnings from the project;
 - (b) evaluate the project, including assessing the extent to which the project's outcomes have been achieved and whether these are on-track to achieve longer-term water quality improvements downstream in the River Torrens, and why any aspects were not achieved; and
 - (c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance and agreed between the Commonwealth and the State at least 60 days before it is due.
16. South Australia agrees to meet any reasonable requests by the Commonwealth to provide other information regarding the project implementation or funding conditions.

PART 5 – FINANCIAL ARRANGEMENTS

17. The Commonwealth will provide a total financial contribution to South Australia of \$450,000 in respect of this Agreement. All payments are exclusive of GST.
18. The Commonwealth's funding contribution will not be reduced if South Australia secures funding from other sources.
19. The Commonwealth's and South Australia's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

Table 2: Estimated financial contributions

| (\$ million) | 2019-20 | 2020-21 | 2021-22 | 2022-23 | Total |
|--|-------------|-------------|-------------|-------------|-------------|
| Estimated total budget | 0.00 | 0.40 | 0.05 | 0.00 | 0.45 |
| Less estimated National Partnership Payments | 0.00 | 0.40 | 0.05 | 0.00 | 0.45 |
| Balance of non-Commonwealth contributions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

20. Having regard to the agreed estimated costs of projects specified in this Agreement, South Australia 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, South Australia bears all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for South Australia to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

21. 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

22. The Agreement may be amended at any time by agreement in writing by both the Parties.
23. Either party to this Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

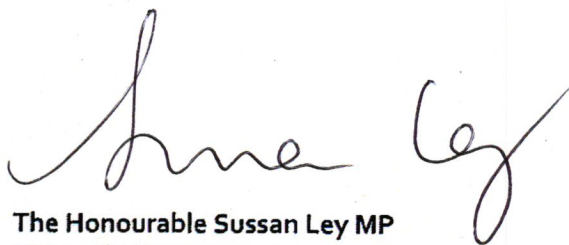
24. The Commonwealth Minister may delegate the assessment of performance against stated project outputs and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

25. Either Party may give notice to the other Party of a dispute under this Agreement.
26. Officials of both Parties will attempt to resolve any dispute in the first instance.
27. 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:

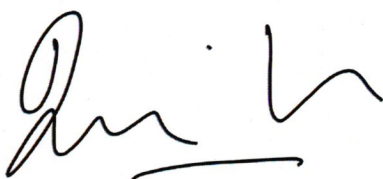
**Signed for and on behalf of the Commonwealth
of Australia by**



The Honourable Sussan Ley MP
Minister for the Environment

[Day] [Month] [Year] 8th October 2020

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



The Honourable David Speirs MP
Minister for Environment and Water

[Day] [Month] [Year]

03 | 08 | 2020