

# Adelaide Desalination Plant Efficiency Measures Project - Feasibility Study

## PROJECT SCHEDULE FOR SOUTH AUSTRALIAN-LED EFFICIENCY PROJECTS

1. This schedule has been developed consistent with clause 24 of the Project Agreement for Murray- Darling Basin Water Infrastructure –South Australian Efficiency Projects
2. The first phase of the Adelaide Desalination Plant Efficiency Measures Project will deliver a feasibility study which will determine options to recover efficiency measures water under the Murray Darling Basin Water Infrastructure Program. This study will build on work undertaken by Ernst & Young and published in their 2018 report, *Analysis of efficiency measures in the Murray-Darling Basin*, to the Murray-Darling Basin Ministerial Council.
3. South Australia will commission a consultancy to investigate how the Adelaide Desalination Plant can be operated at a higher rate and/or on a lower cost basis to reduce the use of existing River Murray water for metropolitan Adelaide. The feasibility study will present a report that describes options that would result in increased usage or more efficient usage of the Desalination Plant.
4. The feasibility report will provide the basis for decision making by South Australia and the Commonwealth, on whether to proceed with development of a business case for any of the identified options.
5. If the parties decide to proceed with business case development, a new Schedule will be added to this Agreement which details the development and consequent implementation activities and milestones.
6. The Project Feasibility report will be completed by 29 March 2019.
7. The Project Feasibility report will:
  - (a) Develop concepts and define options
  - (b) Produce a financial model to measure relative project values
  - (c) Develop cost estimates for each option;
  - (d) Undertake risk analysis and mitigations for each options
8. In accordance with clause 24 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 1.
9. The agreed estimated costs for the outputs described in Table 1 is \$387,600 GST exclusive.

10. The Commonwealth will provide a total financial contribution to this project of up to \$387,600 in respect of this Agreement as shown in Table 1. All payments are GST exclusive.

**Table 1: Milestones, reporting and payment summary**

Outputs	Milestones	Report due	Payment
Adelaide Desalination Plant Project - Feasibility Study	1. Project commencement	24/01/2019	\$0
	2. Presentation of draft report and draft findings to the Commonwealth	15/03/2019	\$0
	3. Presentation of final feasibility report to the Commonwealth	29/03/2019	\$387,600
		<b>TOTAL</b>	<b>\$387,600</b>

11. South Australia will be responsible for ensuring that completion of the feasibility study and the next steps proposal provides relevant information as the basis for decision making in accordance with clauses 22 and 23 of this Agreement. This will include costings for the development of the business case and estimated costs for implementation of the project.

## SIGN OFF

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

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

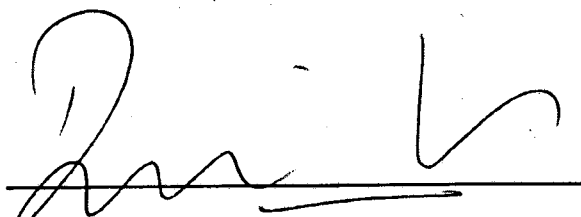


**The Honourable David Littleproud MP**

Minister for Agriculture and Water Resources

Date: 5.3.19

*Signed for and on behalf of the State of {insert} by*



**The Honourable David Spiers MP**

Minister for Environment and Water

Date: 18/03/2019