

Great Artesian Basin Sustainability Initiative: Phase 3 - State of New South Wales Implementation Plan 2009-2010

NATIONAL PARTNERSHIP AGREEMENT ON THE GREAT ARTESIAN BASIN SUSTAINABILITY INITIATIVE

PRELIMINARIES

1. This Implementation Plan is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations and the National Partnership Agreement on the Great Artesian Basin Sustainability Initiative (the NPA) and should be read in conjunction with those agreements.
2. The Commonwealth has agreed to provide up to \$30 million to the State of New South Wales (the State) under the third phase of the Great Artesian Basin Sustainability Initiative (the Program) to assist in the capping and piping of all Great Artesian Basin bores legally operating in an uncontrolled state and related activities (Projects)
3. The State is committed to the capping and piping of all Great Artesian Basin bores legally operating in an uncontrolled manner and has nominally allocated matching funds to Projects approved and funded under the NPA
4. Should the funding referred to in Clauses 2 and 3 likely be insufficient to cap and pipe all such bores in the State, the State shall ensure such funding meets agreed selection criteria that have the primary aims of maximising water savings and providing the greatest protection to natural springs in the Basin.

ENFORCEABILITY OF THIS IMPLEMENTATION PLAN

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

PERFORMANCE BENCHMARKS AND MILESTONES

6. The State agrees to meet the performance benchmarks, indicators and/or milestones identified in the Projects Submission found at Annexure 1 to this Implementation Plan.

ROLES AND RESPONSIBILITIES OF EACH PARTY

The Commonwealth

7. Having completed an assessment of proposed Projects in accordance with the Assessment Guidelines and Project Eligibility Criteria contained in Schedule A to the NPA, the Commonwealth will provide a financial contribution of up to \$2.869 million (GST exclusive) to New South Wales for Projects specified in the Projects Submission.

The State

8. The State will:
 - (a) ensure that Projects specified in the Projects Submission are undertaken efficiently with fair, equitable and transparent processes and in conformity with the State's best technical, environmental and financial practices;
 - (b) deliver each approved Project in accordance with the Projects Submission;
 - (c) prepare an Annual Performance Report by 30 September 2010 on achievements against performance benchmarks, indicators and milestones specified for all Project activities in the annexed Projects Submission, in a form similar to that outlined in Annexure 2 below;
 - (d) ensure to the fullest extent possible that at least 70 per cent of the water saved under the Great Artesian Basin Sustainability Initiative will be directed to restoring pressure in the Basin and not be reallocated for consumptive purposes (noting that the Commonwealth acknowledges that, to the end of the second phase of the Program, the State's water allocation policy for the Great Artesian Basin, which is specified in the *Water Resource (Great Artesian Basin) Plan 2006*, is consistent with the retention of at least 70% of the water saved for restoring pressure); and
 - (e) ensure that funding will not be used for increasing the watered area of a property. (The watered area of a property will be determined by the application of a formula described in the Projects Submission to the current network of open bore drains. If the geographical location of the watered area on the property supported by the new controlled watering system is altered by a Project, the State will ensure that:
 - i the overall area served by that system is no greater than the watered area served by the current uncontrolled system;
 - ii it is no more costly than the cost that would have been incurred to water the original geographical area with a controlled watering system; and
 - iii water remote areas are protected.)

FUNDING, MILESTONES AND PAYMENTS

9. The Commonwealth will provide to the State funding in accordance with the following Milestone Funding Schedule:

Milestone	Performance benchmark	Performance indicator	Date for payment on completion of performance benchmark	Payment
1	Approval of the Implementation Plan	Implementation Plan submitted by New South Wales agreed to by Commonwealth Minister	Within 60 days of Commonwealth's Minister's agreement	33.3% of the Commonwealth's share of the total cost of all Projects agreed under the Implementation Plan
2	New South Wales completes specified activities for a Project contained in the agreed Projects Submission annexed to the Implementation Plan	Authorised New South Wales official certifies that the agreed specified activity (that approximates the midpoint of the Project) has been completed in accordance with the agreed Projects Submission	By 15 April 2010, subject to such certification being made by the authorised official by 15 February 2010.	33.3% of the Commonwealth's share of the total cost of the agreed Project specified in the Projects Submission
3	New South Wales completes a Project contained in the agreed Projects Submission annexed to the Implementation Plan	Authorised New South Wales official certifies that a specified Project has been completed in accordance with the agreed Projects Submission	By 31 May 2010, subject to such certification being made by the authorised official by 31 March 2010.	33.3% of the Commonwealth's share of the total cost of the agreed Project specified in the Projects Submission

10. Payment will be provided by the Commonwealth Treasury to the New South Wales Treasury in accordance with the above Funding Schedule arrangements. If the Milestone 2 payment is not claimed at the time the agreed specified activity is completed, it will become payable at the same time the Milestone 3 payment is made following the completion of the Project.

VARIATION OF PROJECTS SUBMISSION

11. Where either the Commonwealth or the State considers the performance of a Project will not meet the performance benchmarks or indicators specified in the Projects Submission, the Parties will immediately:
 - a) review the Project with a view to reaching agreement on how best to meet those benchmarks or indicators (such as through varying the Project's activities); and
 - b) if agreement cannot be reached, either Party may thereafter terminate the Project at a subsequent date notified in writing to the other Party.
12. If the Project activities are varied under Clause 11, the Commonwealth's contribution will, in the absence of agreement to the contrary, change proportionately to the variation.
13. If a Project is terminated under Clause 11, the Commonwealth will contribute only for activities completed before the date that the Project is terminated.
14. If a Project is varied or terminated under Clause 11, any such change will be recorded as a variation to the Projects Submission.

VARIATION OR TERMINATION OF IMPLEMENTATION PLAN

15. This Implementation Plan may be varied or terminated at any time by agreement in writing by the Ministers or their delegates and under the terms and conditions as agreed by the Ministers or their delegates.

NOTICE OF DETAILS FOR THIS PROGRAM

16. A notice relating to this Implementation Plan and relevant Projects, rather than the NPA generally, is to be in writing and dealt with as follows:

a) *if given by the State to the Commonwealth:*

Assistant Secretary
Aquatic Systems Health Branch
Water Resource Division
Department of Environment, Water, Heritage and the Arts
GPO Box 787
Canberra ACT 2600

Contact number 02 6274 2223, fax number 02 6274 2186;

email address: chris.schweizer@environment.gov.au

b) if given by the Commonwealth to the State:

Mr David Harriss
Commissioner, NSW Office of Water
GPO Box 3889
SYDNEY NSW 2001

Projects Submission for 2009-2010

NATIONAL PARTNERSHIP AGREEMENT
ON THE GREAT ARTESIAN BASIN SUSTAINABILITY INITIATIVE

Summary and duration of Projects

- A1 All projects involve either the replacement of an existing bore drain with a piped reticulation system (piping) or the rehabilitation of an uncontrolled bore by drilling a replacement bore and decommissioning the original (redrill & plug). It is anticipated that all projects included in this submission will be completed in the 2010-2011 financial year.

Aim of Projects

- A2 The aim of the submitted projects is to achieve water savings and aid in recovering pressure in the Great Artesian Basin (GAB). This will be achieved through either the replacement of old bores legally operating in an uncontrolled state or the replacement of legally operating bore drains with an efficient, controlled water reticulation system.

Project Requirements

- A3 All projects will contribute to the achievement of the Outcomes of the NPA by:
- achieving water savings and pressure recovery in the GAB by replacing legally operating old bores, in an uncontrolled state, with controlled and efficient water distribution infrastructure.
 - promoting sustainable water and land management practices in the GAB through education and training of participating landholders in the planning, operation and maintenance of the proposed infrastructure.
 - Implementing partnerships between government, industry and the community in the sustainable management and use of the groundwater resources of the GAB.

Project Details

- A4 Projects details are:
- 4 Posts / New Yarrowa - The 4 Posts and New Yarrowa Bore Trusts receive water from 3 existing free flowing bores (4 Posts No. 1, 4 Posts no. 2 and New Yarrowa). This is a large scale project, including over 500km of pipe. For this reason, completion is anticipated to be achieved in 2010/11. The project includes plugging the three existing bores and drilling four new replacement bores. Four pipeline schemes, Four Post West, Four Posts Central, Four Posts East and New Yarrowa No. 2 will operate from these replacement bores using residual bore pressure only. The project area is 83,300 ha, located approximately 1hour west of Moree, North West NSW. The nearest towns are Mungindi to the north west and Collarenebri to the south west.
 - Klondyke – This project includes the rehabilitation/capping of 10 low flowing bores on one property. It is located on the southern margins of the GAB, approximately 80 km NE of White Cliffs. It is within 40km of the Peery Lakes GAB spring complex, however modelling does not predict significant impact on GAB pressure at these springs. Flooding has setback installation, which is now forecast to be achieved in mid 2010.

- Table 1a gives details of these proposed projects for 2009-2010. For all piping projects, the approximate midpoint can be considered to be the point where all pipelines for are delivered onsite. At this point approximately 50% of the cost for a piping project has been incurred.

The average cost of bore rehabilitation/replacement works has increased from last year and can be attributed to the increased cost of materials and drilling contractors.

The number of projects proposed for 2009/10 is significantly less than previous years. This is due to the transition arrangements between GABSI 2 and GABSI 3, namely the completion of remaining GABSI 2 projects during 2009/10 and the above projects carried through for construction funding under the GABSI 3 criteria and assessment. The number of projects is expected to increase in subsequent years.

- Table 1b – there are no projects proposed in 2009/2010 that impact upon GAB springs. Projects involving springs are planned to be included in subsequent years of GABSI 3.
- Table 1c outlines the cost of managing, monitoring and reporting against the entire program. These costs also include coordination, planning and design for projects to be undertaken in following years. It is expected that these management costs will increase in subsequent years of GABSI 3 as the number of projects undertaken increases.

Additional Information

- A5 Table 1d includes additional information about NSW processes for determining project eligibility, prioritising projects, water savings estimates, selection criteria, funding formulas, quality assurance and project implementation.

Table 1b – Springs - Proposed infrastructure projects

No springs projects proposed for 2009/2010

Table 1c - Proposed other projects

Project ²	Zone	Performance Target(s)	Proposed GABSI funding NSW \$	Proposed GABSI funding CWaath \$	Estimated Financial Year for Completion
GABSI 2009/10 Program Management, Monitoring and Reporting	All	Milestone 3: Delivery of Report 21 May 2010	\$ 517,820	\$ 517,820	2009/10
<p>Sub-tasks</p> <p>Program management - overall coordination and leadership of GABSI implementation in NSW. (E)</p> <p>Promotion and extension - including advertising, promotional literature, community engagement initiatives, etc. (A,C)</p> <p>Program coordination within NSW Office of Water and with other agencies such as Catchment Management Authorities, LHPA's, DECC, etc. (E)</p> <p>Strategic input to and coordination with State and Commonwealth Ministerial advisory bodies. (C,E)</p> <p>Planning - coordination, investigation, planning and design of new project applications. Prioritisation and cost estimation for allocation of future GABSI funding. Providing advice and information to applicants. (A,E)</p> <p>Maintaining and improving internal systems, procedures and guidelines to ensure efficient delivery of GABSI program and to ensure high quality on-ground results. (F)</p> <p>Delivery of milestone reports and annual performance reports to the Australian government under the 2009/10 NSW Implementation Plan.(E)</p>					
TOTAL			\$ 517,820	\$ 517,820	

Legend

² **Itemise for each specific project**

- A. Education and Extension
- B. Basin Monitoring Network (may wish to delete this clause if not applicable)
- C. Involvement of community in resourcing, development and implementation of projects
- D. Best practice infrastructure maintenance
- E. GABSI Program Mgt, Monitoring and Reporting
- F. Other (please specify)

Table 1d -Additional Required Data

<p>Process for Determining Voluntary Interest</p> <p>Details on selection and assessment process to determine eligible bore owners, for example only infrastructure constructed prior to prohibitive state legislation be considered</p>	<p>For 2007/08, no new applications have been sort. The projects proposed to be constructed for 2009/10 were planned and designed under GABSI 2, but did not receive grants for construction. These projects have been carried over into GABSI 3 and assessed under GABSI 3 criteria, as outlined below. These projects have completed their designs prior to receiving funding, which will be required under GABSI 3. As these projects meet the proposed GABSI 3 criteria, they are proposed for construction in 2009/10 to keep the Program moving forward, and to delay inflationary costs to landholders.</p> <p>The following criteria will be applied to determine eligible bores:</p> <ul style="list-style-type: none"> - Bores sunk pre 1965 (after this date all bores were required to install an enclosed pipe delivery system, as a licence condition). - Stock & domestic licenced bores only. <p>The following selection process will be adopted to obtain voluntary interest from eligible bores:</p> <ul style="list-style-type: none"> - A letter and Expression Of Interest (EOI) form sent to all landholders with an eligible bore, presenting the GABSI program, outlining its benefits and inviting them to return an EOI. - Landholders returning an EOI will be contacted to confirm correct data and EOIs will then be prioritised based on preliminary estimates of water savings and likely costs (s Grant/ML saved). High ranking EOIs will be invited to proceed with planning and design, while others declined. These EOIs will be rolled over into future years.
<p>Selection Criteria Used to Determine Successful Applicants</p>	
<p>Details on selection criteria:</p>	<p>Accepted EOIs will proceed with planning and a detailed project design and cost estimate will be produced. These will be ranked on the basis of estimated Grant/ML saved. This will be based on:</p> <ul style="list-style-type: none"> - a detailed hydraulic design, generated from computer modelling of pipelines and CAD plans, to produce accurate quantity/cost estimates based on recent prices for similar materials and works. - estimates of water savings will be made by calculating the maximum design stock water demands, subtracted from the free flow of bores, prior to capping. These estimates will be expressed in annual figures. Estimates of water savings are expected to be conservative, as the demand assumptions are for maximum stocking rates and peak daily demands.
<p>If public funding is unlikely to be sufficient to cover all infrastructure, the proposed criteria for prioritisation of projects is to be provided, such as:</p>	<p>n/a for 2009/10</p>
<p>a) The ratio of water saved per \$ of public funds expended</p>	<p>n/a</p>
<p>b) An estimate of the projects impact of pressure recovery at a high value natural spring</p>	<p>n/a</p>

Table 1d -Additional Required Data (cont'd.)

<p>Funding Formulae Proposed Identify the form and level of government funding provided to eligible bore owners to undertake approved activities.</p>	<p>Bore Works Each bore will be logged to assess whether or not it is suitable to be reconditioned. If a bore cannot be reconditioned, grant funding for eligible projects will be available for the cost of sinking a new bore, to equivalent depth of the old bore, up to a maximum of 80% (40% Commonwealth, 40% NSW). This grant level applies to replacement bores, bore logging, plugging old bores and hearworks. If a bore can be reconditioned, grant funding for eligible projects will be available for the cost of rehabilitating the old bore, up to a maximum of 80% (40% Commonwealth, 40% NSW).</p> <p>Piping Works Grant funding for eligible projects will be available for all other infrastructure as follows: Central Zone 70% (35% Commonwealth, 35% NSW) Warrego Zone 60% (30% Commonwealth, 30% NSW) Surat Zone (Western Lands Lease) 50% (25% Commonwealth, 25% NSW) Surat Zone 40% (20% Commonwealth, 20% NSW)</p> <p>An additional 10% grant funding (5% Commonwealth, 5% NSW) will also be offered across all zones to any bore identified as having a modelled pressure recovery impact on a GAB spring. NSW Office of Water hydrogeologists have conducted groundwater modelling to identify a list of bores that are expected to meet this criteria.</p> <p>The balance of costs will be met by cash contributions by landholders. No in-kind contributions made by landholders.</p>
<p>Identify if a bore owners contribution towards approved activities will be capped at the level existing at the time of commitment to contractual arrangements.</p>	<p>A cap will be placed on the level of grant funding for each scheme at the time of a landholder's commitment to contractual arrangements for construction. This will be established by an Agreement between NSW Office of Water and the landholder, specifying an upper limit to the amount of grant money available.</p>
<p>Where forms of assistance differ between zones reasons are to be documented and transparent</p>	<p>The unique social, environmental and economic circumstances of the western regions of NSW have led to the adoption of increasing grant levels for piping works, through the western division of NSW. These varying grant levels are documented in the NSW Cap & Pipe the Bores Implementation Guidelines and in publicly available brochures and advertising.</p> <p>These grants levels for landholders remain the same as those adopted in NSW for GABS 1 & 2. These levels were reviewed for GABS 3 and submitted to the NSW GAB Ministerial Advisory Group for consideration. This group recommended these grant levels be continued and provided this advice to the NSW Minister for Water.</p>

Table 1d - Additional Required Data (cont'd.)

Additional Information	
<p>Description of the proposed methods to be used to design and implement projects, including a description of the standards and quality assurance processes it intends to implement to ensure maintenance of design quality and standards</p>	<ul style="list-style-type: none"> -In total engagement and presentation of project processes, conditions and timeframes delivered by NSW Office of Water staff. -Property Management Planning offered to all participating landholders. PMP modules tailored to suit specific landholder requirements. This process will ensure optimal and and property management outcomes, as well as the design and implementation of efficient and effective water delivery infrastructure. -Projects facilitated, planned and designed by NSW Office of Water using qualified planners, engineers, surveyors etc. This process involves extensive landholder consultation, the gathering of field data using state of the art GPS survey and satellite imagery, hydraulic computer modelling, CAD drafting and designing. -All designs based on relevant Australian Standards for materials and work (eg. polyethylene pipe, piling, polyethylene tanks, concrete, etc.) and where no relevant standard exists, best industry practice as determined by NSW Office of Water. -All designs signed off by a qualified engineer. -Final design and cost estimates produced – these projects will be prioritised annually for allocation of available grant funding. Projects offered grant funding asked to sign formal Agreement with NSW for limited amount of grant funding. -Pre-construction surveys are conducted to assess possible detrimental environmental or heritage impacts. These include a Review of Environmental Factors, which examines all relevant State and Commonwealth legislative requirements and ensures no significant environmental impact, and an Aboriginal Heritage survey which assess the possibility of disturbing any Aboriginal heritage relics in the landscape. These surveys are contracted to professionally qualified people. -Office of Water staff are also trained in Aboriginal Cultural Awareness and environmental assessment. -Projects put out to competitive tender to private contractors for construction. -Contracts are established based on AS4000 documents and construction is supervised by qualified professionals (NSW, gov. or private). This supervision includes field inspections, contractual responsibilities such as OH&S, delays, certifying works for payment, etc.. Contracts include Quality Assurance provisions to be met by contractors. -Grant funding paid on works inspection and approval by NSW).
<p>Constant used to calculate watered area from a bore drain?</p>	<p>The method adopted by NSW to calculate watered area from a bore drain is the standard used by Bore Trusts in NSW. This is the area within 5km of a bore drain. This has been adopted subject to restrictions such as no increase in watered area under piling, watered area must be within property boundaries, etc.</p>

Schedule A – NSW Implementation Plan 2009 - 2014

GABS 3 - Proposed works (excluding springs impact)

Zone	Activities	Targets		
		No. of bores	Water saved (ML/yr)	Drains shutdown (km)
Surat East	Bore rehabilitation/replacement	35	7000	800
	Piping	30		
Surat West	Bore rehabilitation/replacement	20	5000	600
	Piping	15		
Warrego	Bore rehabilitation/replacement	30	3000	400
	Piping	24		
Central	Bore rehabilitation/replacement	10	300	50
	Piping	6		
Sub Total	Bore Rehabilitation/replacement [#]	95	15300	1850
	Piping [#]	75		

GABS 3 Proposed works (including springs impact)

Zone	Activities	Targets		
		No. of bores	Water saved (ML/yr)	Drains shutdown (km)
Surat East	Bore rehabilitation/replacement			
	Piping			
Surat West	Bore rehabilitation/replacement			
	Piping			
Warrego	Bore rehabilitation/replacement	30	3000	400
	Piping	24		
Central	Bore Rehabilitation/replacement [#]	30	3000	400
	Piping [#]	24		

[#] Defined as works completed to bring the bores into a controlled state (i.e. re-drill & plug, recondition, repair, plug, etc.)

NOTE: Quantities in blue are estimates only