

River Murray in South Australia Constraints Measure Early Works Project

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth Government of South Australia
Duration	<p>This Schedule will commence as soon as it is agreed between the Commonwealth and the Government of South Australia and will expire on 30 June 2024, or upon completion of all agreed measures including final progress reporting.</p> <p>If, during the term of this agreement, a schedule under the <i>Federation Funding Agreement – Environment</i> (FFA – Environment) is agreed for Stage 2 Funding for Sustainable Diversion Limits Adjustment Supply and Constraints Measures in the Murray–Darling Basin (Stage 2), then this Schedule will be included as a sub-schedule to the Stage 2 Schedule, to the extent that the terms are consistent.</p>
Purpose	<p>This Schedule will fund the <i>River Murray in South Australia Constraints Measure Early Works Project</i> (the Project) which will fast-track the upgrade of some sites for the South Australian (SA) River Murray Constraints Measure.</p> <p>The upgrades will manage the impacts of flows proposed under the constraints measure and include improving access roads and tracks and installing and modifying infrastructure.</p> <p>The Project builds on the preconstruction activities undertaken under the <i>Project Agreement for Stage 1 Funding for Sustainable Diversion Limits Adjustment Supply and Constraints Measures in the Murray-Darling Basin</i> (Schedule C).</p> <p>Preconstruction activities include design work, site assessments, community engagement and the development of an implementation proposal, expected in June 2022, for the Constraints Measure.</p> <p>The SA River Murray Constraints Measure is part of the Murray-Darling Basin Plan's Sustainable Diversion Limit (SDL) adjustment mechanism, which enables the Plan's SDLs to be increased by 605 gigalitres (GL).</p>

Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to South Australia of up to \$19.694 million in respect of this Schedule as shown in Table 1. All payments are GST exclusive.</p> <hr/> <p>Table 1</p> <table border="1"> <thead> <tr> <th>(\$ million)</th> <th>2021-22</th> <th>2022-23</th> <th>2023-24</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>0.985</td> <td>9.847</td> <td>8.862</td> <td>19.694</td> </tr> <tr> <td><i>Less estimated Commonwealth Payments</i></td> <td>0.985</td> <td>9.847</td> <td>8.862</td> <td>19.694</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table> <hr/>	(\$ million)	2021-22	2022-23	2023-24	Total	Estimated total budget	0.985	9.847	8.862	19.694	<i>Less estimated Commonwealth Payments</i>	0.985	9.847	8.862	19.694	Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0
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Additional terms	<p>Funding</p> <ol style="list-style-type: none"> Should the Commonwealth's estimated total financial contribution exceed the total actual expenditure incurred by South Australia to deliver all the activities described in Table 2, the Parties agree that the final payment will be reduced to meet the total actual expenditure incurred on the activities. Any assets to be constructed or modified by South Australia under this Project are to have clear asset ownership pathways (i.e. state government utilities providers, councils, irrigation trusts and First Nations). The Commonwealth will not acquire any assets nor any liability for any operations, maintenance or recurrent costs from works undertaken or associated with this Project or Schedule, unless otherwise agreed between the Parties. <p>Milestone achievement</p> <ol style="list-style-type: none"> For each milestone and at completion South Australia will provide an income and expenditure report for the Project. Through South Australia's existing project governance arrangements, South Australia will notify the Commonwealth should any matters arise that would inhibit complete and timely delivery of the Project. South Australia will invite the Commonwealth to participate as an observer in the governance arrangements. 																				

5. As part of the work funded under Stage 1 Funding for the River Murray in South Australia Constraints Measure, South Australia has identified sites which have potential to progress to early on-ground implementation. As part of milestones 1 and 2, the Project will confirm which sites progress to on-ground works under this Schedule. The Implementation Plan to be provided in milestone 2 will include:

- a. the selected sites for works,
- b. for each site, the estimated costs, the key deliverables, the basis of design reports, planning approvals pathway document, milestones, risks
- c. summary of total project resourcing and
- d. performance benchmarks / deliverables for the Project milestones 3 to 5 in Table 2.

Based on the Implementation Plan and the completion of Milestone 2 in Table 2 the parties agree to consider whether any variation is required to the Project milestones 3 to 5.

Table 2: Performance requirements, reporting and payment summary			
Output	Performance milestones	Report due	Payment
1	Provision of and acceptance by the Commonwealth of the following: <ul style="list-style-type: none"> • Project management plan, including key deliverables, delivery schedule and strategy, costings and risk register. • Community and Stakeholder Management Plan. 	31/03/2022 or Within 10 business days of signing this Schedule (whichever comes later)	\$0.985m
2	Provision of and acceptance by the Commonwealth of the following: <ul style="list-style-type: none"> • Implementation Plan for the Project containing the information in paragraph 6 of the additional terms. • Progress report on community and stakeholder engagement and Project activities. 	30/06/2022	\$2.954m
3	Provision of a report demonstrating progress against the following performance benchmarks: <ul style="list-style-type: none"> • Commencement of on-ground construction in accordance with the Implementation Plan. • Project activities in accordance with the Implementation Plan. 	31/03/2023	\$6.893m
4	Provision of a report demonstrating progress against the following performance benchmarks: <ul style="list-style-type: none"> • Construction and asset and site upgrades progressed in accordance with the Implementation Plan. • Project activities in accordance with the Implementation Plan. 	30/09/2023	\$6.893m
5	Provision of a final report demonstrating progress against the following performance benchmarks: <ul style="list-style-type: none"> • Completion of construction – in accordance with the Implementation Plan. • Completion of Project activities. 	31/03/2024	Up to \$1.969m (in accordance with additional term 1)
Total			\$19.694m

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

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



The Honourable Keith Pitt MP
Minister for Resources and Water

10/01/22
[Day] [Month] [Year]

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



The Honourable David Speirs MP
Minister for Environment and Water

17 | 02 | 22
[Day] [Month] [Year]