

Victoria – Coastal and Estuarine Risk Mitigation Program

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of Schedule													
Parties	Commonwealth of Australia Victoria												
Duration	This Schedule is expected to expire 31 December 2025 or on completion of all projects under the Schedule.												
Purpose	<p>This Schedule will support the delivery of projects identified through the <i>Coastal and Estuarine Risk Mitigation Program</i> (Program), which will help drive long term resilience and sustainability by delivering projects that mitigate the impact of disasters on communities and economies.</p> <p>Funding provided under this Schedule will contribute to the delivery of the following projects (Funded Projects):</p> <ul style="list-style-type: none"> • Contaminated Soil and Coastal Hazard Disaster Risk • Port Phillip Bay North-Western Shoreline • South Gippsland Shire Coastal Levee Review and Infrastructure Planning • Mainstreaming Nature Based Adaptation in Victoria • Cape to Cape Resilience Project on-ground works • Victorian Estuary Resilience and Hazard Risk Reduction • Victorian Coastal Monitoring Program Early Warning Pilot System and Sentinel Sites (partially funded due to limited funding availability). <p>An overview of each project is provided at Attachment A.</p>												
Estimated financial contributions	<p>The Commonwealth will provide to Victoria an estimated total financial contribution of \$8,976,985 (GST exclusive) in respect of this Schedule (see Table 1).</p> <table border="1"> <thead> <tr> <th>Table 1 (\$m)</th> <th>2022-23</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>\$13,902,647*</td> <td>\$13,902,647</td> </tr> <tr> <td>Less estimated National Partnership Payments</td> <td>\$8,976,985</td> <td>\$8,976,985</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>\$4,925,662</td> <td>\$4,925,662**</td> </tr> </tbody> </table> <p>*Amounts may not add to the total due to rounding ** Includes in-kind contributions</p>	Table 1 (\$m)	2022-23	Total	Estimated total budget	\$13,902,647*	\$13,902,647	Less estimated National Partnership Payments	\$8,976,985	\$8,976,985	Balance of non-Commonwealth contributions	\$4,925,662	\$4,925,662**
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Estimated total budget	\$13,902,647*	\$13,902,647											
Less estimated National Partnership Payments	\$8,976,985	\$8,976,985											
Balance of non-Commonwealth contributions	\$4,925,662	\$4,925,662**											

<p>Additional terms</p>	<p>Allocation of funds</p> <p>(1) The Parties understand that this Schedule is made in good faith and there is an expectation that funding will be apportioned to projects as determined through the Program, and as shown at Attachment A.</p> <p>Resolution of terms</p> <p>(2) The Commonwealth and States and Territories will work together to resolve any conflicts arising through the Bilateral Agreements, using the approach set out below.</p> <ol style="list-style-type: none"> a. The <i>Federal Financial Relations Act 2009</i> and the <i>Emergency Response Fund Act 2019</i> will prevail over any Program Guidelines. b. The Emergency Response Fund Guidelines and the Coastal and Estuarine Risk Mitigation 2022-23 Program Guidelines will prevail over the Schedule, <u>except</u> for matters relating to monitoring and reporting, auditing and assurance (Part 12). c. Terms relating to monitoring and reporting, and auditing and assurance are set out in this Schedule and the Audit and Reporting Framework at Attachment B. d. Where items 2(a)-(c) are silent or unclear, guidance material published by the Commonwealth may be relied upon to clarify any inconsistencies. <p>(3) The Parties do not intend any of the provision of this agreement to be legally enforceable. However, this does not lessen the Parties commitment to this Schedule.</p> <p>Implementation Plan</p> <p>(4) Project specific timeframes will be finalised after the commencement of this Schedule, in the form of an Implementation Plan.</p> <ol style="list-style-type: none"> a. The requirements of the Implementation Plan are set out in the Audit and Reporting Framework at Attachment B. <p>(5) The Implementation Plan will be developed by Victoria and provided to the Commonwealth for approval within three months of the time this Schedule commences.</p> <p>Performance monitoring and reporting</p> <p>(6) The Parties acknowledge that payments under these agreements would usually be tied to the performance milestones at Table 2 below. In lieu of milestone based payments under this agreement, States and Territories commit to honouring the reporting obligations required by this Schedule.</p> <p>(7) The frequency and timing of reporting under this Schedule is set out at <u>Table 2: Performance requirements, reporting and payment summary</u></p> <p>(8) The content requirements of reporting under this Schedule are set out in the Audit and Reporting Framework at Attachment B.</p> <p>Third parties</p> <p>(9) In line with the Program Guidelines, States and Territories may engage a third party to support the delivery of a project under this Schedule.</p>
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(10) While third parties are not signatories to this Schedule, States and Territories are solely responsible for ensuring third party compliance with the *Emergency Response Fund Act 2019*, the Emergency Response Fund Guidelines, the Coastal and Estuarine Risk Mitigation 2022-23 Program Guidelines and the terms and conditions of this Schedule.

Repayment of amounts to the Commonwealth

(11) If efficiencies are realised on completion of the project, funding may be put to other projects under this Program in that jurisdiction with Commonwealth approval, which approval will not be unreasonably withheld.

(12) In accordance with subsection 21(4) of the Emergency Response Fund Act 2019, the Commonwealth reserves the right to recover an amount provided under this Schedule, where:

- a. a project cannot be delivered in line with the relevant Implementation Plan and the project cannot be appropriately scaled or varied,
- b. the Commonwealth and State and Territory cannot reach an agreement on how to reallocate the funds, or
- c. another condition of this Schedule is not met.

(13) The Commonwealth will determine on a reasonable basis whether an amount should be repaid, and if so, how much should be repaid, with regard to the circumstances of each matter.

Table 2: Performance requirements, reporting and payment summary			
Output	Performance milestones	Report due	Payment
Completion of the Coastal and/or Estuarine Risk Mitigation project/s at Attachment A in order to mitigate the impact of disasters on communities and economies.	Victoria agrees to and signs the Schedule.	Upon signature of the Schedule by both Parties.	\$8,976,985
	Victoria provides the Implementation Plan for all projects to the Commonwealth.	Within three months of the commencement of this Schedule.	N/A
	Victoria submits six-monthly Performance Reports on the progress of all projects against project milestones, expenditure and outcomes in the implementation plan.	Within six months of the commencement of this Schedule and then six monthly until all projects under the Schedule are complete.	N/A
	Victoria submits the Final Report for each project, detailing outcomes and outputs, including an acquittal summary and financial statement.	No later than three months from the date that each project is completed.	N/A
	Victoria submits an Audit Report for each project completed by the state appointed auditor. Where more than one project has been completed within the same financial year, the state appointed auditor may report on projects completed within that financial year within a single report.	No later than six months from the end of the financial year in which the project was completed.	N/A
	Victoria submits an ad hoc report, an update on funded projects and/or a financial declaration.	As requested by the Commonwealth.	N/A

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

Signed for and on behalf of the Commonwealth of Australia by



Senator the Honourable Murray Watt
Minister for Emergency Management

12 / 1 / 2023

Signed for and on behalf of the State of Victoria by

The Hon Ingrid Stitt MLC
Minister for Environment

/ / 2023

Table 2: Performance requirements, reporting and payment summary

Output	Performance milestones	Report due	Payment
Completion of the Coastal and/or Estuarine Risk Mitigation project/s at Attachment A in order to mitigate the impact of disasters on communities and economies.	Victoria agrees to and signs the Schedule.	Upon signature of the Schedule by both Parties.	\$8,976,985
	Victoria provides the Implementation Plan for all projects to the Commonwealth.	Within three months of the commencement of this Schedule.	N/A
	Victoria submits six-monthly Performance Reports on the progress of all projects against project milestones, expenditure and outcomes in the implementation plan.	Within six months of the commencement of this Schedule and then six monthly until all projects under the Schedule are complete.	N/A
	Victoria submits the Final Report for each project, detailing outcomes and outputs, including an acquittal summary and financial statement.	No later than three months from the date that each project is completed.	N/A
	Victoria submits an Audit Report for each project completed by the state appointed auditor. Where more than one project has been completed within the same financial year, the state appointed auditor may report on projects completed within that financial year within a single report.	No later than six months from the end of the financial year in which the project was completed.	N/A
	Victoria submits an ad hoc report, an update on funded projects and/or a financial declaration.	As requested by the Commonwealth.	N/A

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

Signed for and on behalf of the Commonwealth of Australia by

Senator the Honourable Murray Watt
 Minister for Emergency Management

/ / 2023

Signed for and on behalf of Victoria by



Ingrid Stitt
 Minister for Early Childhood & Pre-Prep
 Minister for Environment
 25 /05 / 2023

Details of Victoria Funded Projects

#	Project Name	Project Description	Commonwealth funding	Financial Contribution by Victoria
1	Contaminated Soil and Coastal Hazard Disaster Risk	This project will be a flagship project for dealing with contaminated coastal land in Victoria. This will include a first pass state-wide review, documenting coastal hazard risk management and adaptation principles for coastal land fill sites, and a pathways approach to long-term strategic management.	\$750,000	\$250,000
2	Port Phillip Bay North-Western	This project will provide State led support to develop a regional Coastal Hazard Adaptation and Resilience Plan. This will be delivered through a statutory Regional and Strategic Partnership.	\$950,000	\$650,000
3	South Gippsland Shire Coastal Levee Review and Infrastructure Planning	This project will incorporate a coastal levees assessment with disaster risk mitigation and adaptation planning, aligned to progressing regional adaptation for communities and primary industries.	\$150,000	\$50,000
4	Mainstreaming Nature Based Adaptation in Victoria	This project will implement a suite of pilot on-ground nature based treatments in priority areas, to reduce erosion and inundation risk and maximise multiple benefits.	\$1,500,000	\$500,000
5	Cape to Cape Resilience Project on-ground works	This project will reduce disaster risk to critical infrastructure and services for the Inverloch township and surrounding region.	\$3,300,000	\$2,700,000
6	Victorian Estuary Resilience and Hazard Risk Reduction	This project will help mitigate coastal hazard risk for a diversity of estuary values including public infrastructure and critical assets, and	\$1,500,000	\$500,000

		reduce the need for artificial estuary openings.		
7	Victorian Coastal Monitoring Program Early Warning Pilot System and Sentinel Sites	This project will build on the Victorian Coastal Monitoring Program, and expand into the realm of developing early warning system capabilities.	\$826,985	\$275,662
Total funding			\$8,976,985	\$4,925,662

Attachment B

(refer document – Schedule Attachment B – Audit and Reporting Framework)