

Queensland Fish-friendly Water Extraction Project: Condamine-Balonne and Border Rivers

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule

Parties	Commonwealth Queensland
Duration	This Schedule is expected to expire on or before 31 December 2026, including final reporting and processing of payments.
Purpose	<p>The Schedule is made under the <i>Federation Funding Agreement – Environment</i> (FFA-Environment) which was agreed by the Council of Federal Financial Relations in 2020 as the model for Commonwealth-State funding.</p> <p>The Schedule will support the delivery of the Queensland Fish-friendly Water Extraction Project: Condamine–Balonne and Border Rivers (the Project), as part of the Northern Basin Toolkit Measures (the Toolkit). Further context for the Toolkit is provided at Attachment A.</p> <p>This Project will:</p> <ul style="list-style-type: none"> – screen offtake pumps and diversion infrastructure to ensure fish are not removed from northern Basin rivers and so increase native fish populations in relevant catchments. The demonstration sites are located in reaches of the Lower Balonne River, the Queensland Border Rivers and the Condamine River. – aim to increase the uptake of screening technology by irrigators more broadly across the northern Basin. <p>The Project will be delivered under a staged approach, with project development activities occurring in parallel with some early on-ground works. This approach will facilitate streamlined assessment and delivery, expedite Toolkit funding reaching relevant northern Basin communities, and provide budgetary certainty for the Queensland government, by setting out the funding envelope approved for the entire life of the Project.</p> <p>Further detail on various activities to be completed during each stage of the Project outlined in Table 2.</p>

Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to Queensland of up to a maximum amount of \$6,774,000 (GST exclusive) in respect of this Schedule.</p> <table><tr><th>Table 1 (\$ million)</th><th>2021-22</th><th>2022-23</th><th>2023-24</th><th>2024-25</th><th>2025-26</th><th>Total</th></tr><tr><td>Estimated total budget</td><td>0.661</td><td>0.992</td><td>3.651</td><td>0.735</td><td>0.735</td><td>6.774</td></tr><tr><td>Less estimated National Partnership Payments</td><td>0.661</td><td>0.992</td><td>3.651</td><td>0.735</td><td>0.735</td><td>6.744</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><td>0.0</td><td>0.0</td></tr></table>	Table 1 (\$ million)	2021-22	2022-23	2023-24	2024-25	2025-26	Total	Estimated total budget	0.661	0.992	3.651	0.735	0.735	6.774	Less estimated National Partnership Payments	0.661	0.992	3.651	0.735	0.735	6.744	Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0	0.0
Table 1 (\$ million)	2021-22	2022-23	2023-24	2024-25	2025-26	Total																							
Estimated total budget	0.661	0.992	3.651	0.735	0.735	6.774																							
Less estimated National Partnership Payments	0.661	0.992	3.651	0.735	0.735	6.744																							
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0	0.0																							
Additional terms	<div><div><div>1. Project funds must not, unless agreed by the Commonwealth in writing, be used by Queensland to:</div><div><div>a. duplicate any business case or project development activities already undertaken and funded by the Commonwealth; or</div><div>b. cover the cost of any project activities commenced but not yet completed prior to the execution of this Schedule.</div></div></div><div><div>2. Queensland will provide relevant evidence that demonstrates achievement of performance milestones to meet the needs of the Commonwealth. Evidence will include, but is not limited to:</div><div><div>a. Project Management Planning documents</div><div><div>i. Overarching Project Plan</div><div>ii. Plan for Early On-Ground Works</div><div>iii. Plan for Stakeholder Engagement and Communications activities from Stage 1 through to completion of the Project.</div></div></div><div><div>b. Progress reports for:</div><div><div>i. Early On-Ground Works, including stakeholder engagement and communications activities</div><div>ii. Project development activities, including financial expenditure summary</div></div></div><div><div>c. Project costings estimates and forecasts, including brief commentary on the derivation of costings data. Finalised costings for the Project, as per the deliverables for Stages 1-3, need to be robust and defensible at the pgo level.</div><div>d. Risk and issue registers</div></div></div></div>																												

	<p>e. Final report for the Project, including lessons learned.</p> <p>3. Project development activities are to:</p> <ul style="list-style-type: none"> a. be delivered consistent with the agreed <i>Northern Basin Toolkit Project Business Case Assessment Guidelines</i>; and b. include a detailed and scientifically robust monitoring, evaluation and reporting (MER) plan for the Project (see MER plan requirements at Attachment B). <p>4. Information provided by Queensland during Stages 1-3 (as set out at Table 2) will provide further additional detail to inform the full implementation (Stage 4) plans for the Project.</p> <ul style="list-style-type: none"> a. Following the Gateway Review Point, which is designed as a firm check-in point to affirm the viability and expected outcomes of the Project, such detail would be documented in a "Project Execution Plan". b. This Project Execution Plan will be agreed by the Commonwealth Minister, and will outline delivery of all remaining On-Ground Works (see Attachment A for further information). <p>5. To reflect the funding arrangements for the Project, a governance structure, comprising Commonwealth and Queensland government officials will monitor and provide strategic direction on the implementation of the Toolkit measures in Queensland, and oversee the delivery of specified activities and requirements, including endorsement of project milestone reports. under this Schedule.</p> <p>6. In advance of the established governance meetings between Commonwealth and Queensland officers, Queensland will provide project status reports utilising the agreed template. On a quarterly basis, Queensland will invite the delivery partner to attend these project governance meetings.</p> <p>7. Queensland will notify the Commonwealth should any matters arise that would inhibit complete and timely delivery of the Project as soon as the state becomes aware of these matters.</p> <p>8. Queensland will notify the Commonwealth where they intend to make significant variations to the timeframe for delivering milestones agreed in the Project Execution Plan.</p> <p>9. To ensure there is consistency in the approach for the two Fish-friendly Water Extraction projects funded under the Toolkit, Queensland will ensure regular engagement with New South Wales on both projects, including sharing lessons learned, and will report back to the Commonwealth on these discussions at each milestone.</p>
--	--

	<p>10. All approved Toolkit projects are designed to employ local and indigenous people, source local goods and improve environmental outcomes in the northern Basin.</p> <p>11. Any assets being constructed or modified by Queensland as part of this Project already have existing asset ownership arrangements in place. 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.</p>
--	---

DRAFT

Table 2: Performance requirements, reporting and payment summary

Project Stage Output	Performance milestones	Report due	Payment
1. Project Commencement	<p>Evidence that demonstrates:</p> <ul style="list-style-type: none"> – Project team established, including details of the arrangements with other parties including subcontractors or non-government third party entities and New South Wales (if appropriate). – Appropriate governance structure established, including any relevant Terms of Reference and proposed meeting schedule. 	<p>Within ten business days of executing this schedule</p> <p>Complete</p>	<p>\$132,280</p> <p>Paid</p>
2. Completion of Stage 1 - Project Establishment	<p>Evidence that demonstrates:</p> <ul style="list-style-type: none"> – Project Management Plan completed that includes details of planned Stakeholder Engagement and Communications activities from Stage 1 through to completion of the Project. – Plan for Early On-Ground Works completed for each of the three project areas. This plan will include a short list of sites, with concept plans and cost estimates. – Plan for collaboration and complementarity between this Project and the New South Wales Fish-friendly Water Extraction project. – Progress with Early On-Ground Works, including stakeholder engagement and communication activities. 	<p>31 December 2021</p> <p>Complete</p>	<p>\$529,120</p> <p>Paid</p>
3. Completion of Stage 2 - Early On-Ground Works	<p>Evidence that demonstrates:</p> <ul style="list-style-type: none"> – Progress with Early On-Ground Works. This will include progression to contract for the building and installation of screening works at one site in each of the three demonstration areas. <p>Submission of:</p> <ul style="list-style-type: none"> – Final project costs that are robust and defensible (at the P90 level), including financial year profile for all project activities through to full implementation – Detailed Monitoring, Evaluation and Reporting Plan for the Project (as per requirements at Attachment B to this Schedule). 	<p>28 February 2022</p> <p>Complete</p>	<p>\$992,100</p> <p>Paid</p>

Table 2: Performance requirements, reporting and payment summary

Project Stage Output	Performance milestones	Report due	Payment
4. Completion of Stage 3 - Proposal for Transition to Full Implementation	<p>Evidence that demonstrates:</p> <ul style="list-style-type: none"> – Completion of Early On-Ground Works from Stage 2. <p>Submission of:</p> <ul style="list-style-type: none"> – Results of project monitoring and assessment to date. – Plan for full project implementation that includes: <ul style="list-style-type: none"> ○ All remaining project development activities consistent with the agreed <i>Northern Basin Toolkit Project Business Case Assessment Guidelines</i>. ○ Proposed "Project Execution Plan" to outline delivery of all remaining On-Ground Works. – Detailed Communication and Engagement plan to share project outcomes and promote fish-friendly water extraction infrastructure. This plan will involve the irrigation industry, local government, First Peoples, recreational fishers and other relevant community groups. 	<p>1 July 2022</p> <p>Complete</p>	<p>\$1,653,500</p> <p>Paid</p>
GATEWAY REVIEW POINT	<p>Subject to delivery of Stages 1-3 to the satisfaction of the Commonwealth, and the Commonwealth Minister's agreement to the Project Execution Plan, the remaining project activities and milestones will be negotiated through a Variation to this Schedule.</p> <p>The Commonwealth Minister has agreed \$3,467,000 to deliver Stage 4 milestones 5-8.</p>		<p>Complete</p> <p>XX XX 2023 Commonwealth Minister agreed project to proceed to Stage 4</p>
5. Stage 4 – Full implementation	<p>A report that demonstrates:</p> <ul style="list-style-type: none"> – Evidence of amendment to all 12 contracts to include transfer of ownership and responsibility for ongoing operation and maintenance – Commencement of additional fish screen installations – Progress with MER Plan monitoring activities – Progress with Communication and Engagement Plan activities and outputs 	<p>29 March 2024, or three months after the Gateway Review approval, whichever is the later date</p>	<p>\$1,997,000</p>

Table 2: Performance requirements, reporting and payment summary

Project Stage Output	Performance milestones	Report due	Payment
6. Stage 4 – Full implementation	<ul style="list-style-type: none"> – A report that demonstrates: – Completion of at least 12 (in total) fish screen installations – Progress with MER Plan monitoring activities – Progress with Communication and Engagement Plan activities and outputs 	28 March 2025	\$735,000
7. Stage 4 – Full implementation	<p>A report that demonstrates:</p> <ul style="list-style-type: none"> – Progress with MER Plan monitoring activities – Progress with Communication and Engagement Plan activities and outputs 	31 October 2025	\$475,000
8. Completion of Stage 4 – Full implementation	<p>A report that demonstrates:</p> <ul style="list-style-type: none"> – All works completed, including number of project sites and screens, screen size (diameter) and pumping capacity, and provision of catchment level maps indicating location of projects. – Completion of MER Plan monitoring activities – Completion of Communication and Engagement Plan activities and outputs – Outcomes from the demonstration sites – Biophysical and non-biophysical outcomes from the project – Summary of local and Indigenous employment across the timeframe of the project – Uptake of screening technology by irrigators in the northern Basin, including anticipated use of screens beyond the life of the project – Total project costs – Lessons learned for project delivery and processes, stakeholder engagement and screen designs and installation. 	29 May 2026	\$260,000
			Up to \$6,774,000

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

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



The Honourable Tanya Plibersek MP
Minister for Environment and Water

13 / 12 / 2023

*Signed for and on behalf of the
State of Queensland by*



The Honourable Glenn Butcher MP
Minister for Water

05 / 02 / ~~2023~~ 2024

Funding context and Commonwealth gateway assessment for this Project.

1. On 9 August 2019, Basin First Ministers agreed to implement Toolkit measures through Schedule 3 to the 2013 *Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin* (the IGA). This includes:
 - a. Up to \$180 million in Commonwealth funding is available until 30 June 2024 for Queensland and New South Wales governments to implement environmental works and measures projects that will deliver improved environmental outcomes the northern Basin, in particular to promote fish or broader ecological health.
 - b. Any ongoing costs related to the approved projects (such as monitoring and evaluation and operation and maintenance costs) will be the responsibility of the relevant State, unless otherwise agreed in relation to individual environmental measures.
2. To date, a total of \$5,011,427 has been provided to the Queensland and New South Wales governments for the preparation of Toolkit feasibility proposals.
3. In March 2021, following the Commonwealth assessment of the feasibility proposals, the Australian Government announced ten environmental projects that would receive further Toolkit funding, either to commence immediate implementation or to progress to the business case development phase. These ten approved projects were identified by a panel of independent experts to deliver the best environmental outcomes for the northern Basin.
4. This Project has been approved to follow a streamlined gateway model, where the following project activities will happen in parallel as outlined in Table 2:
 - a. on-ground delivery will commence in 2021 to ensure the benefits are rapidly reaching regional communities.
 - b. further project development activities will be undertaken overtime and submitted in packages to the Commonwealth for rolling assessment as outlined under Purpose of this Schedule.

Gateway Review:

5. Once all performance milestones for Stages 1, 2 and 3 (as set out in Table 2) have been met, the suite of project development deliverables will effectively comprise the State's proposal to transition to full implementation of the Project.
6. At this point, the Commonwealth will undertake a "gateway review" to ensure all information provided by Queensland meets the Commonwealth's requirements for assessing whether the Project will achieve an outcome which is technically viable, value for money and a proper use of the public resources for which it was originally approved.
7. Once this review is complete, and subject to a decision by the Commonwealth Minister, the remainder of the Commonwealth's financial commitment to the Project will be reaffirmed. To enact this decision, a Variation to this Schedule will be agreed by Commonwealth and Queensland ministers, including agreement of appropriate performance milestones and commensurate milestone payments for the remaining project funding.

Requirement for the Monitoring, Evaluation and Reporting (MER) plan that is to be provided as part of the Toolkit project.

The plan will provide information on how the Project, if implemented, will be assessed to determine its effectiveness in delivering its anticipated environmental outcomes and monitor any key risks and potential ecological dis-benefits. The MER plan must:

1. be underpinned by a program logic, and be consistent with long-term watering plans and water resource plans MER, including being informed by risks these plans have identified;
2. be a standalone document that addresses relevant MER recommendations identified by the Independent Expert Ecological Panel for Ecological Merit and Prioritisation in their assessment of the project feasibility proposal;
3. be capable of evaluating and reporting on the effectiveness of the works, and also whether or not the intended environmental outcomes have been achieved by these works. This includes being capable of evaluating and reporting on key ecological risks and dis-benefits as part of a risk mitigation strategy developed during the business case;
4. be able to evaluate and report at the project level, but also be geographically and thematically integrated with other relevant MER programs and activities, particularly for other Toolkit projects;
5. describe how MER activities leverage off and doesn't duplicate the MER activities undertaken through existing programs;
6. describe cost sharing and governance arrangements for longer term MER activities;
7. be designed to support broader Basin Plan MER including the Basin-wide monitoring strategy being led by MDBA; and
8. describe data sharing arrangements with the expectation being that any data and information arising from the MER plan is available to, and shared with, other Basin governments and also made publicly available where appropriate.