

PROJECT AGREEMENT FOR THE ENVIRONMENT RESTORATION FUND - IMPROVING THE HEALTH OF THE YARRA RIVER THROUGH LITTER REDUCTION

An agreement between:

- the **Commonwealth of Australia**; and
- the **State of Victoria**.

The project will implement a suite of on-ground litter reduction initiatives to support the improvement of water quality for the benefit of threatened and migratory species in the lower Yarra River and Port Phillip Bay

Project Agreement for the Environment Restoration Fund - Improving the Health of the Yarra River through Litter Reduction

OVERVIEW

1. This Project Agreement for the Environment Restoration Fund: Improving the Health of the Yarra River through Litter Reduction (the Agreement) is created subject to the provisions of the Federation Funding Agreements (FFA) Framework, including the FFA architecture and principles and the Intergovernmental Agreement on Federal Financial Relations (IGA FFR). This document should be read in conjunction with that IGA FFR and its Schedules as well as the FFA-Environment, which provide information in relation to performance reporting and payment arrangements under the FFA Framework.

Purpose

2. This Agreement will support on-ground litter reduction initiatives to improve water quality for the benefit of threatened and migratory species in the lower Yarra River and Port Phillip Bay.

Reporting Arrangements

3. Victoria will report annually against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

4. The Commonwealth will provide a total estimated financial contribution to Victoria of \$1.5 million (the project funds), exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

Variation

5. This is variation number 1 to the Project Agreement previously executed on 21 December 2021. With effect from the date of execution of this variation, this document serves to vary the original Project Agreement for this Project and replaces that previous document.

PART 1 – FORMALITIES

6. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

7. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of Victoria (Victoria).

Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and Victoria sign it and will expire when all of the project funds have been expended for the purposes of the Agreement, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUTS

Outputs

9. Delivery of \$1.5 million of litter reduction initiatives to support the improvement of water quality for the benefit of threatened and migratory species in the lower Yarra River and Port Phillip Bay, including the following end of project outputs:
 - I. The build-ready design of an in-river litter interceptor and conveyor belt system to concentrate and extract plastic, modelled on the City of Baltimore’s Mr. Trash Wheel;
 - II. Purchase of a new vessel with an advanced vacuum litter collection system to remove rubbish from fringing riverbank vegetation and backwaters;
 - III. The upgrade and improvement of the existing litter barge, barge crane, and support vessel, to reduce litter loss and increase waste capture during the emptying of litter traps;
 - IV. The upgrade of Parks Victoria’s litter trap processing facility at the Burnley Depot, to improve litter management, sorting and recycling;
 - V. The installation of new litter booms and diversion barriers to improve the effectiveness of existing traps;
 - VI. Research into next generation litter traps to improve their efficiency and capture capabilities e.g. microplastics; and
 - VII. A report investigating the hydrodynamics of the river system to inform future litter trap design and locations.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

10. The Commonwealth will be responsible for:
 - a) monitoring and assessing achievement against milestones in the delivery of the project under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
 - b) providing a consequent financial contribution to Victoria to support the implementation of this Agreement;

Role of Victoria

11. Victoria will be responsible for:
 - a) the delivery of all aspects of the project outputs and performance milestones and benchmarks set out in this Agreement and seeking the Commonwealth's agreement to any changes to works;
 - b) the timely delivery of the project outputs and performance milestones and benchmarks;
 - c) ensuring all required Work, Health and Safety standards are met in delivering the project outputs and performance milestones and benchmarks;
 - d) facilitating any required consultation and engagement with key stakeholders over the life of the project;
 - e) ensuring the branding and acknowledgement of Commonwealth investment on all products funded under this agreement, and any associated communication materials, meets the standard required by the Commonwealth;
 - f) ensuring project works do not cause any detrimental or irreversible environmental impact; and
 - g) reporting on the delivery of the project outputs and performance milestones and benchmarks as set out in Part 4 – Project Milestones, Reporting and Payments;

Shared roles

12. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

13. Table 1 summarises the milestones for the project, its relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the acceptance of the reports demonstrating the relevant milestones (to the standard required) have been met.

Table 1: Performance requirements, reporting and payment summary

<u>Outputs</u>	<u>Performance milestones or benchmarks</u>	<u>Report due</u>	<u>Payment on acceptance of Report</u>
<i>Improving the Health of the Yarra River through Litter Reduction</i>			
	On execution of the funding agreement	Completed	\$0.15m
<u>Stage 1:</u>	<p>Submission of a performance report consistent with Section 15 (a) (b) and (c), with the report demonstrating:</p> <p>a. Parks Victoria’s appointment of Service Providers/Consultants responsible for the development of the following deliverables:</p> <ol style="list-style-type: none"> 1. A design and costing report for a purpose-built on-river litter collection vessel with an advanced vacuum litter collection system. 2. A design specifications and costings report for an upgraded litter barge crane grabbing system and trap removal system, litter barge and support vessel. 3. A design specifications and costings report for an upgrade to Parks Victoria’s Burnley Depot litter processing facility. 4. A report investigating the hydrodynamics of the Yarra River and related river systems to inform future litter trap design and locations. <p>b. Parks Victoria’s completion of tender documents and procurement plans for the development of the following deliverables by a Service Provider/Consultant:</p> <ol style="list-style-type: none"> 1. A proof of concept and technical feasibility report for an in-river litter interceptor and conveyor belt litter removal system. 	Completed	\$0.19m

<p><u>Stage 2:</u></p>	<p>Submission of a performance report consistent with Section 15 (a) (b) and (c), that also includes:</p> <p>a. Details of Parks Victoria’s appointment of Service Providers/Consultants responsible for the development of the following deliverables:</p> <ol style="list-style-type: none"> 1. A proof of concept and technical feasibility report for an in-river litter interceptor and conveyor belt litter removal system 2. A design specifications and costings report to support new litter booms and diversion barriers on the Yarra River. 3. A concept and design report detailing design specifications for next generation litter traps, developed in conjunction with technical and engineering specialists. <p>b. The following reports (as a pack), completed by Service Providers/Consultants and approved by Parks Victoria:</p> <p><u>Litter barge crane and supporting infrastructure upgrade</u></p> <ol style="list-style-type: none"> 1. Detailed design specifications and costings for upgrades to the litter barge crane grabbing system and trap removal system, and litter barge and support vessel, to increase waste capture and improve prevention of secondary litter loss during the removal process, as well as operational procedures and required vessel surveys. <p><u>Yarra River and related river systems hydrodynamics to inform future litter trap design and locations</u></p> <ol style="list-style-type: none"> 2. Completion and publication of report investigating the hydrodynamics of the Yarra River and related river systems (including inflows, litter, and water movement), to inform future litter trap design and locations. 	<p>30 November 2023</p>	<p>\$0.40m</p>
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<p>Stage 3:</p>	<p>Submission of a performance report consistent with Section 15 (a) (b) and (c), that also includes the following reports (as a pack), completed by Service Providers/Consultants and/or Parks Victoria:</p> <p><u><i>In-river litter interceptor and conveyor belt system</i></u></p> <ol style="list-style-type: none"> 1. Report of findings following trial of an in-river litter interceptor and conveyor belt system, including review of operational findings and data analysis of litter removed. <p><u><i>Litter vacuuming vessel</i></u></p> <ol style="list-style-type: none"> 2. Detailed design specifications and costings for a new, purpose-built, on-river litter collection vessel with an advanced vacuum litter collection system, as well as operational procedures and required vessel surveys. 3. Construction status report on custom-made litter vessel with vacuum system, including estimated completion and delivery date. <p><u><i>Litter barge crane and supporting infrastructure upgrade</i></u></p> <ol style="list-style-type: none"> 4. Construction status report on upgrades to the litter barge crane grabbing system and trap removal system, and litter barge and support vessel, including estimated completion date. <p><u><i>Upgraded litter processing facility</i></u></p> <ol style="list-style-type: none"> 5. Detailed design specifications and costings for a litter processing facility upgrade at Parks Victoria - Burnley Depot for improved litter separation, grading, sorting and recovery infrastructure. 6. Construction status report on upgrades to the Parks Victoria - Burnley Depot processing facility for improved litter separation, grading, sorting, and recovery, including estimated completion date. <p><u><i>Improved capture and grading capability of existing litter traps</i></u></p> <ol style="list-style-type: none"> 7. Detailed design specifications and costings for litter booms and diversion barriers to upgrade the capture and grading capabilities of existing litter traps. <p><u><i>Next generation litter traps with improved efficiency</i></u></p> <ol style="list-style-type: none"> 8. Concept and design of next generation litter traps, including completion of the feasibility assessment and build costs. 	<p>15 December 2023</p>	<p>\$0.46m</p>
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<p>Stage 4:</p>	<p>Submission of a performance report consistent with Section 15 (a) (b) and (c), that also includes the following reports (as a pack), completed by Service Providers/Consultants and/or Parks Victoria:</p> <p><u><i>In-river litter interceptor and conveyor belt system</i></u></p> <ol style="list-style-type: none"> 1. A 'build ready' implementation plan for an in-river litter interceptor and conveyor belt system including final technical design specifications, build costings, statutory planning and permit requirements, installation, operational, and maintenance plan, and operation costings. 2. Ready for market tender documentation (based on the 'build ready' implementation plan) to produce the in-river litter interceptor and conveyor belt system. 3. Memorandum of Understanding and funding agreement with City West Water, Melbourne Water and City of Melbourne as appropriate, that details the management, maintenance, and promotion responsibilities, and secures funding for ongoing management and maintenance costs. <p><u><i>Litter vacuuming vessel</i></u></p> <ol style="list-style-type: none"> 4. Construction status report on custom-made litter vessel with vacuum system, including estimated completion and delivery date. <p><u><i>Litter barge crane and supporting infrastructure upgrade</i></u></p> <ol style="list-style-type: none"> 5. A report demonstrating the upgraded litter barge, barge crane grabbing system and support vessel are fully operational on Yarra River, with the barge and support vessel demonstrating the required Commonwealth acknowledgement/badging. <p><u><i>Upgraded litter processing facility</i></u></p> <ol style="list-style-type: none"> 6. Construction status report on upgrades to the Parks Victoria - Burnley Depot processing facility for improved litter separation, grading, sorting, and recovery, including estimated completion date. <p><u><i>Improved capture and grading capability of existing litter traps</i></u></p> <ol style="list-style-type: none"> 7. A report demonstrating the new litter booms and diversion barriers are fully operational on the Yarra River and related river systems. <p><u><i>Next generation litter traps with improved efficiency</i></u></p> <ol style="list-style-type: none"> 8. A report on the prototype trial results and recommendations for next generation litter traps. 	<p>1 July 2024</p>	<p>\$0.15m</p>
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<u>Stage 5</u>	<p>Submission of a final project report consistent with Section 16 (a) (b) and (c), that also includes the following reports (as a pack), completed by Service Providers/ Consultants and/or Parks Victoria:</p> <p><u>Litter vacuuming vessel</u></p> <ol style="list-style-type: none"> 1. A report demonstrating the litter vacuum vessel is operational on Yarra River with operational procedures and required vessel surveys, the required Commonwealth acknowledgement/badging, and is supported by a public and online communication strategy to promote public awareness and engagement. <p><u>Upgraded litter processing facility</u></p> <ol style="list-style-type: none"> 2. A report demonstrating the upgraded processing facility for improved litter separation, grading, sorting, and recovery is fully operational (and EPA compliant) at the Parks Victoria - Burnley Depot. 	<p>31 December 2024</p>	<p>\$0.15m</p>
	<p>Total:</p>		<p>\$1.50m</p>

14. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

Reporting arrangements

15. Victoria will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain the following information:
 - (a) a description of actual performance of Victoria in the period to date against the project milestones, including a statement as to whether the project is proceeding in accordance with the milestones and, if it is not, an explanation as to why and the action the State proposes to take to address the matter/s;
 - (b) details of any matter(s) that have arisen which could adversely impact on the delivery of the outputs, and how Victoria propose to resolve this/these matter(s);
 - (c) a description of the work that will be undertaken to complete the remaining project milestones.
16. Victoria will also prepare a final Project Report on the completion of the project agreed under the Project Agreement. The final Project Report will be a standalone document that can be used for public information dissemination purposes. The final Project Report will:
 - (a) describe the outcomes, outputs and learnings from the project;
 - (b) evaluate the project, including assessing the extent to which the project's outcomes have been achieved and why any aspects were not achieved; and
 - (c) include a discussion of any other matters relating to the project, limited to the minimum necessary for the effective assessment of performance and agreed between the Commonwealth and the State at least 60 days before it is due.
17. Victoria agrees to meet any reasonable requests by the Commonwealth to provide other information regarding the project implementation or funding conditions.

PART 5 – FINANCIAL ARRANGEMENTS

18. The Commonwealth will provide a total financial contribution to Victoria of \$1.5 million in respect of this Agreement. All payments are exclusive of GST.
19. The Commonwealth's funding contribution will not be reduced if Victoria secures funding from other sources.
20. Having regard to the agreed estimated costs of projects specified in this Agreement, Victoria will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, Victoria bears all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for Victoria to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

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

Variation of the Agreement

22. The Agreement may be amended at any time by agreement in writing by both the Parties.
23. Either party to this Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

24. The relevant Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

25. Either Party may give notice to other Party of a dispute under this Agreement.
26. Officials of both Parties will attempt to resolve any dispute in the first instance.
27. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

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

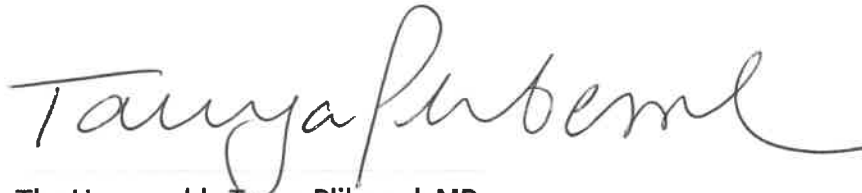
Signed for and on behalf of the
State of Victoria by



Steve Dimopoulos MP
Minister for Environment

Date: 11/3/24

Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Tanya Plibersek MP
Minister for the Environment and Water

Date: 25.3.24