

Victoria - National Flood Mitigation Infrastructure Program

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule

| Parties | Commonwealth Victoria | | | | | | | | | | | | |
|--|---|------------------|---------|-------|------------------------|-------|-------|--|------|------|--|------|------|
| Duration | This Schedule is expected to expire 30 June 2024. | | | | | | | | | | | | |
| Purpose | <p>This Schedule will support the delivery of projects identified through the <i>National Flood Mitigation Infrastructure Program (Program)</i>, which help local communities mitigate their priority flood risks and reduce the impact of flood events.</p> <p>Funding from the Commonwealth provided to the State and Territory governments (States) under this Schedule will contribute to the delivery of the following projects (Funded Projects):</p> <ul style="list-style-type: none"> • Project 1: Wangaratta Urban Flood Mitigation Infrastructure • Project 2: Castlemaine and Campbell's Creek Levee • Project 3: Carisbrook Township Western Levee <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 \$6.92m (GST exclusive) in respect of this Schedule (see Table 1).</p> <table border="1"> <thead> <tr> <th>Table 1 (\$m)</th> <th>2020-21</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>10.43</td> <td>10.43</td> </tr> <tr> <td>Less estimated National Partnership Payments</td> <td>6.92</td> <td>6.92</td> </tr> <tr> <td>Balance of non-Commonwealth contributions*</td> <td>3.51</td> <td>3.51</td> </tr> </tbody> </table> <p><i>*Non-Commonwealth contributions are provided by a third party</i></p> | Table 1 (\$m) | 2020-21 | Total | Estimated total budget | 10.43 | 10.43 | Less estimated National Partnership Payments | 6.92 | 6.92 | Balance of non-Commonwealth contributions* | 3.51 | 3.51 |
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| Estimated total budget | 10.43 | 10.43 | | | | | | | | | | | |
| Less estimated National Partnership Payments | 6.92 | 6.92 | | | | | | | | | | | |
| Balance of non-Commonwealth contributions* | 3.51 | 3.51 | | | | | | | | | | | |
| Additional terms | <p>Allocation of funds</p> <p>(1) The parties understand that this Schedule is made in good faith and there is an expectation that the States will apportion funding to projects as determined through the Program, and as shown at Attachment A.</p> <p>Resolution of terms</p> | | | | | | | | | | | | |

- (2) The Commonwealth and States will work together to resolve any conflicts arising through the Bilateral Agreements, using the approach set out below.
- a. The Federal Financial Relations Act and the Emergency Response Fund Act will prevail over any guidelines
 - b. The Emergency Response Fund Guidelines and the National Flood Mitigation Infrastructure Program(NFMIP) Guidelines will prevail over the Schedule, except for matters relating to monitoring and reporting, and auditing and assurance (chapters 7, 8 and Attachment B of the NFMIP Program Guidelines)
 - c. Terms relating to monitoring and reporting, and auditing and assurance are set out in this Schedule and the Audit and Reporting Framework
 - d. Where items (2)a – (2)d are silent or unclear, the NFMIP FAQs may clarify any matters

Implementation Plan

- (3) States must deliver the Program in accordance with the agreed Implementation Plan. This Implementation Plan will be finalised after the commencement of this Schedule.
- a. The requirements of the Implementation Plan are set out in the Audit and Reporting Framework
- (4) The Implementation Plan will be developed by Victoria and provided to the Commonwealth for approval. Victoria must obtain Commonwealth approval (which will not be unreasonably withheld by the Commonwealth) within three months of the time this agreement commences or no later than 30 September 2021, whichever is greater.

Performance monitoring and reporting

- (5) 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 these reporting obligations required by this Schedule. The frequency and timing of reporting under this Schedule is set out at Table 2.
- (6) The content requirements of reporting under this Schedule are set out in the Audit and Reporting Framework
- (7) The Audit and Reporting Framework supersedes and replaces chapter 7 (Monitoring and reporting), chapter 8 (Audit and assurance) and Attachment B of the NFMIP Program Guideline.

Third parties

- (8) In line with the NFMIP Program Guidelines, States may engage a third party to support the delivery of a project under this Schedule.
- (9) While third parties are not signatories to this Schedule, the States are solely responsible for ensuring third party compliance with the Emergency Response Fund Act, the Emergency Response Fund

Guideline, NFMIP Program Guidelines and the conditions of this Schedule.

Repayment of amounts to the Commonwealth

- (10) In accordance with 521(4) of the Emergency Response Fund Act, the Commonwealth reserves the right to recover an amount provided under this Schedule, where:
 - a. a project delivered as part of this Program cannot be delivered in accordance with the relevant Implementation Plan and the project cannot be appropriately scaled, and
 - b. the Commonwealth and States cannot reach an agreement on how to reallocate the funds, or
 - c. another condition of this Schedule is not met.
- (11) In accordance with clause 6, and with regard to the circumstances of each matter, the Commonwealth will determine whether part or all of the funding provided under this Schedule should be repaid.

Table 2: Performance requirements, reporting and payment summary

| Output | Performance milestones | Report due | Payment |
|---|---|--|---------|
| Flood mitigation infrastructure projects that assist communities to prepare for future flood events to reduce the risk of flood to, and/or impact of flooding on, local communities | Victoria agrees and signs the schedule | Upon signature of schedule | \$6.92m |
| | Victoria provides the approved Implementation Plan to the Commonwealth | Within three months of the commencement of this Schedule or no later than 30 September 2021, whichever is later. | N/A |
| | Victoria provides an Interim Update three months from the date at which the Schedule was signed | After the first Interim Update, six monthly until all projects under this schedule are complete | N/A |
| | Victoria submits a Performance Report six months from the date at which the Schedule was signed | After the first Performance Report, six monthly until all projects under this Schedule are complete. | N/A |
| | Victoria submits End of Project report | No later than three months from the date that the project was completed. | N/A |
| | Victoria submits an audit report completed by the state appointed auditor | No later than nine months from the end of the financial year in which the project was completed | 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 Bridget McKenzie
Minister for Emergency Management and National Recovery and Resilience

29/10 2021

Signed for and on behalf of the State of Victoria by

The Honourable Lisa Neville MP
Minister for Water

29/10 2021

Details of Victoria's Funded Projects

| # | Project Name | Project Description | Commonwealth funding | Non-Commonwealth contributions |
|----------------------|--|--|----------------------|--------------------------------|
| 1 | Wangaratta Urban Flood Mitigation Infrastructure | This project involves refurbishing and upgrading levees to a one percent Annual Exceedance Probability flood level. | \$3,500,000 | \$1,800,000 |
| 2 | Castlemaine and Campbell's Creek Levee | The project will construct a new levee in Castlemaine near the Castlemaine Caravan Park, and refurbish existing levees at Elizabeth St, National School Ln & Campbell's Creek Township. | \$2,217,000 | \$1,109,000 |
| 3 | Carisbrook Township Western Levee | This project involves construction of levees and associated drainage and culvert works to protect 25 properties from flooding in the event of a one percent annual exceedance probability flood. | \$1,200,000 | \$600,000 |
| Total funding | | | \$6,917,000 | \$3,509,000 |