

Great Artesian Basin Water Security Program

FEDERATION FUNDING AGREEMENT - ENVIRONMENT

Table 1: Formalities and operation of schedule																									
Parties	Commonwealth South Australia																								
Duration	This Schedule is expected to expire on 30 June 2028.																								
Purpose	This schedule will support the delivery of strategic investments in immediate and long-term measures that improve water security for the environment, First Nations people and all water users reliant on the Great Artesian Basin (GAB).																								
Outputs	To improve water security within the GAB, the outputs of this agreement, through eligible project activities are: <ul style="list-style-type: none"> a) Controlled bores and efficient watering delivery systems that reduce water wastage, increase artesian pressure. b) Improve environmental outcomes of GAB springs. c) Education and communication programs to assist state agencies implement new GAB water management arrangements. d) Projects and studies that assist with the development and implementation of water management arrangements within the GAB including improved data collection and storage. e) Improve the engagement with and involvement of First Nations people to improve understanding of GAB water resources. 																								
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution of \$32m to all participating States with the South Australia allocation outlined in Table 1.</p> <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th> <th>2024-25</th> <th>2025-26</th> <th>2026-27</th> <th>2027-28</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>1.33</td> <td>1.24</td> <td>1.24</td> <td>1.19</td> <td>5.00</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.00</td> </tr> <tr> <td>- South Australia</td> <td>1.33</td> <td>1.24</td> <td>1.24</td> <td>1.19</td> <td>5.00</td> </tr> </tbody> </table> <p><i>*unallocated funding will be attributed to remaining states currently in negotiation</i></p>	Table 1 (\$ million)	2024-25	2025-26	2026-27	2027-28	Total	Estimated total budget	1.33	1.24	1.24	1.19	5.00	<i>Less estimated National Partnership Payments</i>	0.0	0.0	0.0	0.0	0.00	- South Australia	1.33	1.24	1.24	1.19	5.00
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<p>Additional terms</p>	<p>The South Australia State Work Plan is agreed by the Commonwealth and South Australia delegated officials and can be amended by the state at any time, should both parties agree in writing.</p> <ul style="list-style-type: none">• The South Australia senior official or appropriate delegate will provide to the Commonwealth senior officials a South Australia State Work Plan which will include a list of proposed projects and or activities with the following minimum details:<ul style="list-style-type: none">o For each infrastructure project or activity: a description, property location and electorate, estimated costings and completion date.o details of the proposed funding contributions required from the Commonwealth, state and/or third party which may include cash or in-kind contributions where relevant.o a description of the rationale or selection process to support inclusion of the activity in the State Work Plan.o relevant outcomes for each project or activity and how they align and contribute to the program outputs. <p>Commonwealth assessment of the South Australia State Work Plans:</p> <ul style="list-style-type: none">• The Commonwealth agrees to assess each of the proposed projects or activities for inclusion in the South Australia State Work Plan in accordance with the eligibility criteria set out in the appendix.• In considering whether to agree to the projects or activities in the South Australia State Work Plan, the Commonwealth senior official will take into account the:<ul style="list-style-type: none">o consistency with the project eligibility criteria in this appendix and the outputs of this scheduleo transparency and equity of South Australia's process used to identify, prioritise and select the projects or activities put forwardo the value for money of the projects or activities, having regard to the cost of each proposed project compared to the water estimated to be saved or the alignment to the Great Artesian Basin Strategic Management Plan 2019, ando the amount of funding available each financial year under this schedule.o that proposals to shift or offset costs for projects or activities that are already fully funded through South Australia or third parties will not be considered eligible.
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Matched funding

- Should the Commonwealth agree to the proposed project, payments will be made on a matched basis subject to South Australia achieving milestones specified in this schedule.
- The Commonwealth will provide funding up to a maximum 50% of the total cost for each project as outlined in the State Work Plan with the remainder from South Australia and/or third parties.
 - o Infrastructure Projects - Require third party financial contributions. South Australia may determine the quantum of third-party contributions required for eligibility under this clause, noting it must be greater than zero.
- The Commonwealth and South Australia representatives will meet quarterly to track and review forecasts for each financial year. Predicted underspends of the Commonwealth funding component may be made available to other states through consultation between all parties.

Annual performance report requirements

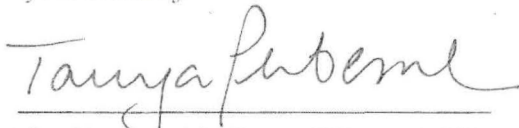
- South Australia will provide the annual performance report in accordance with the milestones in Table 2A.
- Each performance report is to:
 - o contain a description of actual performance against projects and/or activities listed in the South Australia State Work Plan in the period to date against the project milestones; including the number of bores completed, kms piped and ML of water savings attributed to each infrastructure project; and
 - o include appropriate third-party evidence of completion for each project and activity; and
 - o demonstrate funding contributions from South Australia and/or third parties at least matches the Commonwealth's contribution;
 - o include information on any issues which could adversely impact the delivery of the program; and a proposal for managing or resolving outstanding matters; and
 - o demonstrate how each project and activity (as listed in the South Australia State Work Plan) has contributed to achieving key outcomes of the Great Artesian Basin Strategic Management Plan; and
 - o provide an overall annual assessment of performance against each of the program outputs in this schedule.

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| | <ul style="list-style-type: none">• The annual performance report must be provided by the milestone due date each year in the form of any relevant template(s) provided by the Commonwealth.• The Commonwealth will prepare an annual assessment report for publication on the relevant department's website.<ul style="list-style-type: none">o South Australia will be provided with an opportunity to comment on the draft report before it is finalised and published. |
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Table 2A: South Australia – Performance requirements, reporting and payment summary			
Output	Performance milestones	Report due	Payment
Performance Report against the performance milestone for 2024-25	Achievement of the projects and activities outlined in the approved South Australia State Work Plan for the period 16 May 2024 - 15 May 2025.	15 May 2025	Payment consistent with the State work plan up to \$1,330,000
Performance Report against the performance milestone for 2025-26	Achievement of the projects and activities outlined in the approved South Australia State Work Plan for the period 16 May 2025 - 15 May 2026.	15 May 2026	Payment consistent with the State work plan up to \$1,240,000
Performance Report against the performance milestone for 2026-27	Achievement of the projects and activities outlined in the approved South Australia State Work Plan for the period 16 May 2026 - 15 May 2027.	15 May 2027	Payment consistent with the State work plan up to \$1,240,000
Performance Report against the performance milestone for 2027-28	Achievement of the projects and activities outlined in the approved South Australia State Work Plan for the period 16 May 2027 - 15 May 2028.	15 May 2028	Payment consistent with the State work plan up to \$1,190,000

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 the Environment and Water

[Day] [Month] [Year]

12 12 2024

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



The Honourable Susan Close MP
Deputy Premier

Minister for Climate, Environment and Water

[Day] [Month] [Year]

15 1 2025

Project Eligibility Criteria – Appendix A to the Schedule

Infrastructure projects and activities that are eligible for funding under the program include:

- a. The rehabilitation or replacement of legally operated bores and associated water distribution infrastructure which are in;
 - i. an uncontrolled state or
 - ii. where a technical assessment shows a high risk of becoming uncontrolled;with controlled bores and efficient watering system infrastructure.
Works that will achieve significant and quantifiable environmental benefit or avoid significant and quantifiable environmental degradation should be prioritized;
- b. Rehabilitation or replacement of bores where there has been a critical failure of infrastructure assets previously rehabilitated under earlier programs jointly funded by the Parties, due to the impact of highly corrosive water or a generic failure of technology not due to poor workmanship or the payment of normal maintenance costs;
- c. Decommissioning of old bores where the state governments have implemented regulatory responses that require landholders to manage their own assets;
- d. Water meter and or pressure monitoring device fitted to any licenced bore where required by State and Territory water management regulations. Monitoring and measurement devices installed must be pattern approved (by the manufacturer or supplier) in accordance with requirements of the appropriate Australian Standard or State regulations;
- e. At least 70% of the estimated water savings over and above the licenced allocation from an infrastructure process project under clauses will be directed to restoring pressure to the formation in which it is saved in the basin and must not be reallocated by the states for consumptive purposes;

Non-infrastructure projects and activities eligible for funding under the program include:

- f. Project management costs, audits of works (including bore reviews), marketing and promotional material for the program, and compliance programs that assist state agencies to implement new Great Artesian Basin water management arrangements. Administration items incurred and salaries and wages for officers spending less than 20% of their time on the program should not be included;
- g. Education and communication programs to assist state agencies implement Great Artesian Basin water management arrangements including encouraging landholders to adopt best practice approaches which assist to minimise water wastage and increase artesian water pressure;
- h. Studies and projects to protect and improve the environmental outcomes of Great Artesian Basin springs and groundwater dependent ecosystems;
- i. Projects and studies that assist with the development and implementation of water management arrangements within the Great Artesian Basin including improved data collection and storage;
- j. Projects and activities to improve the engagement with, and involvement of, First Nations people to improve understanding of Great Artesian Basin water resources.