

## Murray–Darling Basin – Sustainable Communities

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

<b>Table 1: Formalities and operation of schedule</b>																																					
Parties	Commonwealth South Australia																																				
Duration	This Schedule is expected to expire on 31 October 2028.																																				
Purpose	To provide funding to South Australia to develop and deliver community adjustment assistance, in line with the principles at <b>Attachment A</b> , to Murray-Darling Basin communities to minimise socio-economic impacts from the recovery of water towards the 450 gigalitres of additional environmental water under the <i>Murray-Darling Basin Plan 2012 (Cth)</i> (Basin Plan).																																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to South Australia of up to \$23.0 million in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th colspan="6"><b>Table 1</b></th> </tr> <tr> <th>(\$ 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><b>Estimated total budget</b></td> <td><b>TBC</b></td> <td><b>TBC</b></td> <td><b>TBC</b></td> <td><b>TBC</b></td> <td><b>TBC</b></td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>- South Australia</td> <td>7</td> <td>7</td> <td>8</td> <td>1</td> <td>23</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	<b>Table 1</b>						(\$ million)	2024-25	2025-26	2026-27	2027-28	Total	<b>Estimated total budget</b>	<b>TBC</b>	<b>TBC</b>	<b>TBC</b>	<b>TBC</b>	<b>TBC</b>	<i>Less estimated National Partnership Payments</i>	-	-	-	-	-	- South Australia	7	7	8	1	23	Balance of non-Commonwealth contributions	-	-	-	-	-
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[Additional terms]	<p>a) A Steering Committee, comprising Commonwealth and South Australia officials will be formed to ensure alignment with the program objectives and other implementation activities under the Basin Plan.</p> <p>b) The Commonwealth will provide South Australia with information about its approach to water purchases, any socio-economic impact analysis and any related information from consultation or evaluation activities to assist South Australia to focus its program delivery.</p>																																				

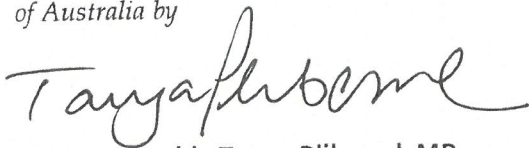
- c) South Australia will make total funding, as provided to South Australia by the Commonwealth, of up to \$20.0 million available to Murray-Darling Basin communities over the life of the Schedule.
- d) South Australia will be provided a further \$3.0 million for delivery costs including:
  - i. planning and administration costs including for consultation, delivery and reporting activities, and,
  - ii. to facilitate regional, place-based engagement and support for communities and local government to identify and develop opportunities for integrated water recovery and / or community adjustment initiatives.
- e) Program design, consultation, delivery and reporting requirements are outlined at **Attachment A**.
- f) Commonwealth funding of \$20 million for communities is provided to invest in a combination of:
  - i. no-regrets investment to support Murray-Darling Basin communities for transition to a future with less consumptive water, and/or,
  - ii. adjustment assistance integrated with water recovery programs (including Commonwealth water purchase) to mitigate adverse socioeconomic impacts.
- g) South Australia will publish its Final Report as outlined at **Attachment A** no later than 6 months after the completion of this Schedule.
- h) The Commonwealth reserves the right to publish all materials arising from this Schedule.
- i) South Australia and the Commonwealth may, by mutual agreement, vary the performance milestones and associated dates in this Schedule.

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Output	Performance milestones	Due	Pmt FY	Payment
	Execution of Schedule	On execution	2024-25	\$1m
Program Design and Delivery	Commonwealth Approval of Implementation, Consultation and Monitoring and Evaluation Plans detailed at Attachment A	15 December 2024		\$1m
Program guidelines	Commonwealth approval of program guidelines	28 February 2025		\$1m
Program Delivery	South Australia opens program	31 March 2025		\$4m
Reporting	Commonwealth Acceptance of Annual Progress Report 2024-25 (Attachment A) – Payment is for year 2 funding	31 October 2025	2025-26	\$7m
	Commonwealth Acceptance of Annual Progress Report 2025-26 (Attachment A) – Payment is for year 3 funding	31 October 2026	2026-27	\$8m
	Commonwealth Acceptance of Annual Progress Report 2026-27 (Attachment A) – Payment is for year 4 funding	31 October 2027	2027-28	\$1m
Final Reporting	Commonwealth Acceptance of Final Report & Financial acquittal (Attachment A)	31 October 2028		Nil
			<b>Total</b>	<b>\$23.0m</b>

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

Date: 17.12.24

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



**The Honourable Susan Close MP**  
Deputy Premier and Minister for Climate, Environment and Water

Date: 26/11/24

## Attachment A

### *Principles*

South Australia will develop and deliver community adjustment assistance to Murray-Darling Basin communities to minimise socio-economic impacts from the recovery of water towards the 450 gigalitres of additional environmental water under the Murray-Darling Basin Plan 2012 (Cth) (Basin Plan) in accordance with the principles outlined below.

- a. Diversification and Resilience
  - Support transition of regional communities to achieve a wide range of socio-economic outcomes.
  - Support jobs and sustainable economies in a future with less consumptive water.
- b. Place-based
  - Place based investment focused on communities within catchments impacted by the recovery of towards the 450 GL of water for the environment.
  - Engage local people as active participants in the development of adjustment measures.
- c. Proportionality
  - Proportional investment into communities that considers the potential drivers of adverse impacts and anticipated or observed impacts from water recovery.
- d. Co-design
  - Co-design across government.
  - Consultation with communities, First Nations, local government, and regional industries.
- e. Strategic alignment
  - Consistent with the Commonwealth Regional Investment Framework and the National Agreement on Closing the Gap.
  - Strategically aligned with regional priorities, including by supporting existing regional development plans and aligning with First Nations priorities, where possible.
- f. Transparency and integrity
  - Directed towards clear outcomes and objectives.
  - Value for money.

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- Transparency through administration and evaluation.
- g. Evidence-based
- Underpinned by a transparent evidence base supported by multiple lines of inquiry.

### ***Consultation***

2. South Australia will develop a Consultation Plan to inform program design and development.
3. The Consultation Plan will detail how place-based consultations will occur in the South Australia Murray-Darling Basin, including (at a minimum) the role of local governments, key regional leaders, community members, industry representatives, and First Nations groups in those consultations.
4. South Australia will provide insights and feedback as they arise about socioeconomic impacts and may provide suggestions or ideas to improve the implementation of the 450 GL program.
5. South Australia will advise the Commonwealth on the timing and location of consultations.
6. The Commonwealth may also attend these forums to participate in discussion on Commonwealth water recovery programs.
7. The Consultation Plan will include, at a minimum, a description of:
  - a. The overall approach to consultation and engagement
  - b. The roles and responsibilities of each party (Commonwealth and South Australia) with respect to consultation of community adjustment assistance under the 450 GL program.
  - c. The planned consultation activities and the phasing of those activities
  - d. Which places and people will be targeted for consultation and when
  - e. How South Australia will provide insights to the Commonwealth about community impacts and water recovery opportunities, and
  - f. Reporting and evaluation of consultation activities.

### ***Implementation Plan***

8. South Australia will develop an Implementation Plan for the development and delivery of community adjustment assistance, which will, at a minimum:
  - a. Define the program objectives and scope, aligned to the Principles and Focus Areas

- b. Include project outcomes, milestones deliverables
  - c. Include risks and mitigation strategies
  - d. Include a budget
9. The Commonwealth will work with South Australia and provide information about the water purchase program where possible (subject to commercial, probity, privacy and market sensitivities) to assist in the design and delivery of community adjustment assistance.
10. Through the program Steering Committee South Australia will consult with the Commonwealth on proposed projects and programs and provide regular updates.

#### ***Announcements, Media and Communications***

11. South Australia will consult the Commonwealth on the dates of any announcement of program or project funding and formally notify the Commonwealth at least one week ahead of announcement.
12. All funding announcements and signage will be joint announcements and acknowledge Commonwealth funding.

#### ***Monitoring and Evaluation Plan***

13. South Australia will collect and use data appropriate for monitoring and evaluating the effectiveness of community adjustment assistance measures.
14. South Australia will develop a Monitoring and Evaluation Plan which will, at a minimum:
- a. Set out targets and KPIs to measure performance outcomes.
  - b. Describe the target populations, datasets, collection methods, activities to be measured, and methods of analysis.
  - c. Include outcomes, indicators and measures that can be used to report on progress.
  - d. Detail the evaluations to be conducted, including the timing and nature or reports and their alignment with the annual and final reports detailed below.

#### ***Annual Progress Reports***

15. South Australia will complete Annual Progress Reports, which will cover, at a minimum:
- a. A summary of feedback received which may include, but is not limited to, feedback from communities, regions and industry, both through formal

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- consultations and other interactions where feedback was received about the community adjustment assistance or broader 450 GL program.
- b. Reporting against the targets and KPIs set out in the Monitoring and Evaluation Plan
  - c. The communities / regions that received funding, which projects were funded and the funding amounts.
  - d. Analysis of the effectiveness of community adjustment assistance delivered as scheduled in the Monitoring and Evaluation Plan.
16. South Australia will report expenditure through the Annual Progress Reports and will include expenditure detailed by region and/or program and any unspent amounts.
  17. South Australia annual expenditure reporting will be certified the Chief Financial Officer of the relevant South Australia agency / agencies. Annual expenditure reports will be independently audited in accordance with the relevant Australian Auditing Standards.
  18. Annual Progress Reports will cover the period of 12 months commencing 1 July each year and will be provided to the Commonwealth within one month of the statutory date the relevant South Australia delivery agency is required to provide its Annual Report to its Minister or the South Australia Treasurer.
  19. At the second annual progress report the Commonwealth and South Australia will conduct a mid-point review of the program to consider the progress of water recovery in South Australia and any implications for the Sustainable Communities Program.

***Final Report***

20. The Final Report will cover, at a minimum:
  - a. A summary of the communities / regions that received funding and the amounts.
  - b. A complete list of all projects funded amounts, locations and completion status.
  - c. With reference to the targets/KPIs set out in the Monitoring and Evaluation plan, an overall analysis of the effectiveness of support.
  - d. A final audited Financial Acquittal, approved by the Chief Finance Officer from the relevant South Australia agency.
21. Final reports and Financial Acquittals are to be provided to the Commonwealth before the end date of this Schedule as per the Milestone Table.

