

River Murray in South Australia Constraints Measure – Stage 2

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth Government of South Australia
Duration	This Schedule commenced on signing and will expire on 30 June 2027, or upon completion of all agreed measures including final progress reporting.
Purpose	<p>This Schedule will fund the <i>River Murray in South Australia Constraints Measure Stage 2</i> (the Project). The South Australian (SA) River Murray Constraints Measure will manage the impacts of flows proposed under the constraints measure and include improving access roads and tracks and installing and modifying infrastructure.</p> <p>The Project builds on the preconstruction activities undertaken under the <i>Project Agreement for Stage 1 Funding for Sustainable Diversion Limits Adjustment Supply and Constraints Measures in the Murray-Darling Basin</i> (Schedule C) and incorporates elements of the Early Works component of the Project which commenced in February 2022.</p> <p>The total figure in table 1 includes \$10.832 already provided to South Australia for completed milestones under a previous schedule for the Early Works project. For further detail refer to the River Murray in South Australia Constraints Measure – Early Works Project Schedule.</p> <p>In recognition that Early Works was the accelerated early delivery of Stage 2, this Schedule replaces the River Murray in South Australia Constraints Measure – Early Works Project Schedule and incorporates all Stage 2 activities and budgets encompassing Early Works.</p> <p>The SA River Murray Constraints Measure is part of the Murray-Darling Basin Plan's Sustainable Diversion Limit (SDL) adjustment mechanism, which enables the Plan's SDLs to be increased by 605 gegalitres (GL).</p>
Total Estimated financial contributions	The Commonwealth will provide a total financial contribution to the State of South Australia of up to \$90.788 million in respect of this Schedule as shown in Table 1. All payments are GST exclusive.

	<table border="1"> <thead> <tr> <th data-bbox="467 367 922 439">Table 1 (\$ million)</th> <th data-bbox="922 367 1038 439">2024-25</th> <th data-bbox="1038 367 1155 439">2025-26</th> <th data-bbox="1155 367 1272 439">2026-27</th> <th data-bbox="1272 367 1406 439">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 439 922 477">Estimated total budget</td> <td data-bbox="922 439 1038 477">7.293</td> <td data-bbox="1038 439 1155 477">22.836</td> <td data-bbox="1155 439 1272 477">49.827</td> <td data-bbox="1272 439 1406 477">90.788</td> </tr> <tr> <td data-bbox="467 477 922 548"><i>Less estimated Commonwealth Payments</i></td> <td data-bbox="922 477 1038 548">7.293</td> <td data-bbox="1038 477 1155 548">22.836</td> <td data-bbox="1155 477 1272 548">49.827</td> <td data-bbox="1272 477 1406 548">90.788</td> </tr> <tr> <td data-bbox="467 548 922 651">Balance of non-Commonwealth contributions</td> <td data-bbox="922 548 1038 651">0</td> <td data-bbox="1038 548 1155 651">0</td> <td data-bbox="1155 548 1272 651">0</td> <td data-bbox="1272 548 1406 651">0</td> </tr> </tbody> </table>	Table 1 (\$ million)	2024-25	2025-26	2026-27	Total	Estimated total budget	7.293	22.836	49.827	90.788	<i>Less estimated Commonwealth Payments</i>	7.293	22.836	49.827	90.788	Balance of non-Commonwealth contributions	0	0	0	0
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Additional terms	<p data-bbox="456 663 564 696">Projects</p> <ol data-bbox="501 703 1406 1509" style="list-style-type: none"> <li data-bbox="501 703 1406 1003">1. Any assets to be constructed or modified by South Australia under this Project are to have clear asset ownership pathways (i.e. state government utilities providers, councils, irrigation trusts and First Nations). 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 or Schedule, unless otherwise agreed between the Parties. <li data-bbox="501 1010 1406 1509">2. The sites listed in Appendix 1 are the sites intended to be or that have been delivered as part of Early Works (noting Early Works commenced in 2022 under a separate Schedule before the commencement of this Schedule) and the sites listed in Appendix 2 are the sites intended to be delivered as part of Stage 2, with budgets developed based on these sites. Should circumstances mean these sites can no longer be delivered then the Commonwealth will be notified as part of regular governance meetings and the annual work plan will be updated to provide an indication of the impact on budget and overall costs. Where there is no material impact on overall project cost and Project completion date, the revised workplan will be provided for Commonwealth delegate approval. <p data-bbox="456 1563 767 1597">Milestone achievement</p> <ol data-bbox="501 1615 1394 1928" style="list-style-type: none"> <li data-bbox="501 1615 1394 1686">3. For each milestone and at completion South Australia will provide an income and expenditure report for the Project. <li data-bbox="501 1693 1394 1928">4. Through South Australia's existing project governance arrangements, South Australia will notify the Commonwealth should any matters arise, that would inhibit complete and timely delivery of the Project. South Australia will invite the Commonwealth to participate as an observer in the governance arrangements (such as Project Control Group meetings). 																				

5. Project progress will be guided, and reported on, using an annual work plan to be provided to the Commonwealth before the commencement of the following financial year. These work plans can be varied with agreement of the Commonwealth delegate as required to reflect changes to the project and/or finalisation of the previous financial year's expenditure. The minimum information requirements for annual work plans are specified in Appendix 3.

Other State Obligations

6. South Australia will provide regular Project Status Reports to the Commonwealth with the frequency of the reporting to be every two months as agreed by the parties.

Project Status reports will contain at a minimum:

- i. a summary of progress against agreed project timelines and milestone deliverables;
 - ii. an update on project risks including current and planned mitigation and management activities.
 - iii. budget forecasts, actuals and variances;
 - iv. an update on project staffing and any movements;
 - v. status of current and planned procurements, and
 - vi. stakeholder engagement, progress and any anticipated issues or sensitivities.
7. Quarterly bilateral meetings will be held between the Commonwealth and SA officials responsible for SDLAM project oversight (Deputy Secretary equivalent level, or their proxies).
 8. If requested by the Commonwealth, South Australia will facilitate the Commonwealth's access to the State's records, contracts and personnel or a subcontractor's records to enable the Commonwealth to conduct its own independent audit or review of any aspect of the Project.

Output	Performance milestones	Reporting period	Report due	Payment
1	<p>Provision and acceptance by the Commonwealth of the following Early Works activities:</p> <ul style="list-style-type: none"> Project management plan, including key deliverables, delivery schedule and strategy, costings and risk register. <p>Community and Stakeholder Management Plan.</p>		31/03/2022 or within 10 business days of signing this Schedule (whichever comes later)	\$0.985m (Paid)
2	<p>Provision and acceptance by the Commonwealth of the following Early Works activities:</p> <ul style="list-style-type: none"> Implementation Plan for the Project <p>Progress report on community and stakeholder engagement and Project activities.</p>		30/06/2022	\$2.954m (Paid)
3	<p>Provision of a report demonstrating progress against the following Early Works performance benchmarks:</p> <ul style="list-style-type: none"> Commencement of on-groundworks construction in accordance with the Implementation Plan. <p>Project activities in accordance with the Implementation Plan.</p>		31/03/2023	\$6.893m (Paid)
4	Commencement of Stage 2 and provision of a final Stage 2 workplan.	On signing of Schedule	Within 10 days of signing Schedule	\$0.400m
5	<p>Provision of a report(s) summarising project delivery for the periods:</p> <ul style="list-style-type: none"> March 2023 – August 2023 September 2023 – June 2024 <p>Demonstrating progress and/or completion of sites and activities listed at Appendix 1, as further defined and agreed in the Early Works Implementation Plan from March 2023 to 30 June 2024.</p> <p>Provision by the State and acceptance by the Commonwealth of a report(s) summarising project delivery for the period:</p> <ul style="list-style-type: none"> July 2024 – December 2024 <p>Demonstrating progress and/or completion of sites and activities listed at Appendix 1, as further defined and agreed in the Early Works</p>	1/03/2023 to 31/12/2024	31/03/2025	\$6.893m

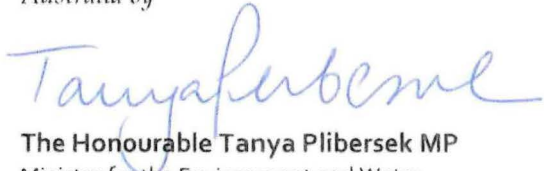
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	2024-2025 annual work plan from 1 July 2024 to 31 December 2024.			
6	<p>Provision by the State and acceptance by the Commonwealth of a report demonstrating:</p> <ul style="list-style-type: none"> Progress and/or completion of sites and activities listed at Appendix 1, as further defined and agreed in the Early Works 2024-2025 annual work plan, and; Progress and/or completion of sites and activities listed at Appendix 2, as further defined and agreed in the Stage 2 2024-25 annual work plan. 	1/01/2025 to 30/06/2025	30/9/2025	\$0.569m EWP and Up to \$4.025m Stage 2
7	<p>Provision by the State and acceptance by the Commonwealth of a report demonstrating:</p> <ul style="list-style-type: none"> Progress and/or completion of sites and activities listed at Appendix 1, as further defined and agreed in the Early Works 2025-2026 annual work plan, and; Progress and/or completion of sites and activities listed at Appendix 2, as further defined and agreed in the Stage 2 2025-26 annual work plan. 	1/07/2025 to 31/12/2025	31/03/2026	\$1.400m EWP and Up to \$16.842m
8	<p>Provision by the State and acceptance by the Commonwealth of a report demonstrating:</p> <ul style="list-style-type: none"> Progress and/or completion of sites and activities listed at Appendix 2, as further defined and agreed in the Stage 2 2025-26 annual work plan. 	1/01/2026 to 30/06/2026	30/09/2026	Up to \$25.263m
9	<p>Provision by the State and acceptance by the Commonwealth of a report demonstrating:</p> <ul style="list-style-type: none"> Progress and/or completion of activities listed at Appendix 2, section D Completion of sites listed in Appendix 2, sections A-C as further defined and agreed in the Stage 2 2026-27 annual work plan. 	1/07/2026 to 31/12/2026	31/03/2027	Up to \$9.826m
10	<p>Provision by the State and acceptance by the Commonwealth of a report and evidence (if not previously provided) demonstrating:</p> <ul style="list-style-type: none"> Completion of activities listed at Appendix 2, section D, as further defined and agreed in the Stage 2 2026-27 annual work plan. 	1/01/2027 to 30/06/2027	15/05/2027	\$14.738m
Total				\$90.788m

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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]

26 2 2025

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



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

[Day] [Month] [Year]

11 13 25

Details of sites and activities to be completed for Early Works Project

Completion of concept designs for sites:

- Patey Drive

Completion of concept and detailed designs for sites:

- Chowilla Game Reserve (National Park)
- Morgan Conservation Park
- Cadell
- Bruno Bay
- Lock 3 and Lock 6 River Vessel Waste Disposal Stations (Lock 6 detailed design only)
- Loxton foreshore
- Scotts Creek
- Swan Reach
- South Puneylroo
- Bowhill
- Renmark rowing dock
- Hume Reserve (Pomberuk)
- Twenty-first Street Bridge
- Lock 5 marina.

Completion of planned works and construction activities at sites:

- Noora pipelines
- Renmark Area Drainage Discharge Scheme
- Chowilla Game Reserve, Morgan Conservation Park and Katarapko National Park
- Surface water monitoring stations
- Irrigation drainage outlets
- Renmark town wharf and Renmark rowing dock
- Loxton foreshore
- Bowhill.

Completion of reports, plans, approvals, policy changes, frameworks, grant agreements and documents related to, but not limited to, the following:

- monitoring and evaluation
- vegetation monitoring
- connectivity assessments
- statutory approvals
- operational policy and procedure
- First Nations Engagement and assessments, including cultural heritage reports and management plans where required
- communications and engagement activities
- new or varied grant agreements with stakeholders.

Details of sites and activities to be completed for Stage 2

(A) Completion of detailed designs for sites:

- Lock 3 Wetlands (Wachtels Lagoon and Overland Corner)
- Ngaut Ngaut Conservation Park.

(B) Completion of designs at sites:

- Lake Bonney
- Paisley Island
- Ramco
- Waikerie
- Holders Bend
- Morgan Riverfront
- Blanchetown
- South Punyelroo
- Arnold Park.

(C) Completion of planned works and construction activities at sites:

- Chowilla Game Reserve
- Morgan Conservation Park
- River vessel waste disposal stations
- Cadell
- Lock 3 wetlands (nominally Wachtels Lagoon and Overland Corner)
- River operating asset modifications (multiple sites)
- Floodplain impediments removals (multiple sites)
- Ngaut Ngaut Conservation Park
- Twenty first Street Bridge
- Lock 5 Marina
- Bruno Bay
- Loxton Foreshore
- Swan Reach
- South Punyelroo
- Pomberuk (Hume Reserve).

(D) Completion of reports, plans, approvals, policy changes, frameworks, grant agreements and documents related to, but not limited to, the following:

- monitoring and evaluation
- vegetation monitoring and mapping
- connectivity assessments
- statutory approvals
- environmental benefits and operational risk management outcomes
- capacity building and community co-design process outcomes

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- First Nations Engagement and assessments, including cultural heritage reports and management plans where required
- communications and engagement activities
- new or varied grant agreements with stakeholders
- asset management plans, as required.

Annual work plan requirements

The annual work plan is to be submitted prior to 30 April (for the following financial year) and to be agreed annually at officer level and include as a minimum:

- Project objective and outcomes
- Project activities and outputs
- Project activities for delivery over 6 month reporting periods (2 reporting periods per year) – 2024-25, 2025-26 and 2026-27 financial years
- Indicative budgets.

Progress Report minimum requirements

- A statement that demonstrates overall progress and updates for each activity against the accepted annual work plan supported by relevant evidence.
- Identify if the outputs are on track and if any outputs are outstanding. In the case of delays, report the reason for the delay and mitigation action.
- Progress update on the On-ground works and construction activities.
- Identify if there are any changes proposed or been made to the delivery of the project.
- Stakeholder engagement summary and significant interactions including meetings with community group and First Nations groups and any key results.
- Updated risk register including any new or emerging risks to the delivery of the Project, and management of those risks.
- Six monthly financial statements and variance report.