

# Victoria – Detailed Assessments of Potential New Supply Measures under the Basin Plan

## FEDERATION FUNDING AGREEMENT – ENVIRONMENT

**Table 1: Formalities and operation of schedule**

Parties	Commonwealth of Australia Victoria																				
Duration	This Schedule is expected to expire on 30 November 2025, or upon completion of all agreed measures including final progress reporting.																				
Purpose	<p>This schedule will support Victoria to deliver a Detailed Assessment of the Restoring Flows to the Mallee Floodplain Program, a potential new supply measure.</p> <p>Supply measures are part of the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) of the Murray-Darling Basin Plan 2012. They are designed to enhance water infrastructure and river operations and enable Basin Plan environmental outcomes to be achieved with less recovery of water for the environment.</p> <p>The 2023 amendments to the Basin Plan allow the Basin Officials Committee (BOC) to notify the Murray-Darling Basin Authority of new supply measures by 30 June 2025 (section 7.12 of the Basin Plan 2012).</p> <p>A Detailed Assessment provides information to enable BOC to assess potential new supply measures. The information includes a description of the measure, its feasibility to be operational by 31 December 2026, technical details and costs, risks and benefits. The information requirements for a Detailed Assessment are in Appendix 1.</p>																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to Victoria of up to \$1.935 million (GST exclusive) in respect of this Schedule.</p> <table><tr><th>Table 1 (\$ million)</th><th>2024-25</th><th>2025-26</th><th>2026-27</th><th>Total</th></tr><tr><td>Estimated total budget</td><td>1.935</td><td>0.00</td><td>0.00</td><td>1.935</td></tr><tr><td>Less estimated Commonwealth Contributions</td><td>1.935</td><td>0.00</td><td>0.00</td><td>1.935</td></tr><tr><td>Balance of non-Commonwealth contributions</td><td>0.0</td><td>0.00</td><td>0.00</td><td>0.00</td></tr></table>	Table 1 (\$ million)	2024-25	2025-26	2026-27	Total	Estimated total budget	1.935	0.00	0.00	1.935	Less estimated Commonwealth Contributions	1.935	0.00	0.00	1.935	Balance of non-Commonwealth contributions	0.0	0.00	0.00	0.00
Table 1 (\$ million)	2024-25	2025-26	2026-27	Total																	
Estimated total budget	1.935	0.00	0.00	1.935																	
Less estimated Commonwealth Contributions	1.935	0.00	0.00	1.935																	
Balance of non-Commonwealth contributions	0.0	0.00	0.00	0.00																	

Additional terms	<p><b>Funding</b></p> <p>Total funding from the Commonwealth to Victoria under this Schedule will be up to a maximum of \$1.935 million (GST exclusive) with any program costs above this amount provided by Victoria. Funding will be paid in accordance with the achievement of the milestones in Table 2.</p> <p>Should the actual expenditure incurred by Victoria to deliver the activities in Table 2 be less than the Commonwealth's financial contribution for Table 2, the Parties agree that the final payment in Table 2 will be reduced to meet the total actual expenditure incurred by the activities.</p> <p>For the purposes of this Schedule, P80 represents the 80th percentile of expected costs, meaning 80% of cost estimates are below this value.</p> <p><b>Financial Reporting statements</b></p> <p>Victoria will provide an income and expenditure report containing a statement of payments and receipts in respect of any activities. The report is to be certified by a person undertaking the role of Chief Financial Officer of the organisation (or a comparable role) and must include a statement that the financial accounts are true and fair.</p> <p><b>Governance</b></p> <p>Project Control Group meetings will be held for the Restoring Flows to the Mallee Floodplain Detailed Assessment at least every 2 months. The Commonwealth will participate as an observer and funding partner but will not participate in decisions on project implementation. Victoria will arrange for a written progress report to support these meetings and provide to all participants prior to the meeting. The report should demonstrate progress since the last meeting and identify activities planned for the period up to the next meeting.</p> <p>Through established project governance arrangements, Victoria will notify the Commonwealth in writing should any matters arise, that would inhibit complete and timely delivery of the Project.</p> <p>Victoria and Commonwealth senior executives will hold meetings, when mutually agreed, to discuss the projects outlined in this Schedule and address any risks to the implementation. Victoria will provide written progress reports to support these discussions.</p> <p><b>Project Terms</b></p> <p>Victoria will be responsible for all aspects of delivering on the approved outputs as set out in this Schedule.</p> <p>Activities undertaken from funding within this Schedule must be aligned to activities that will meet the information requirements of the Detailed Assessment described in Appendix 1.</p>
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	The Detailed Assessment is to be finalised by 16 May 2025.
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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]

24 2 2025

**Signed for and on behalf of the  
State of Victoria by**



**The Honourable Gayle Tierney MLC**  
Minister for Water

[Day] [Month] [Year]

04/04/2025



**Table 2 Detailed Assessment for the Restoring Flows to the Mallee Floodplain program**

Proposed construction of permanent infrastructure at 18 high-value floodplain sites to achieve ecological objectives, enhance environmental watering, and minimise the impacts of river regulation and climate change.

Output	No.	Performance milestones	Report due	Payment
Project Establishment	1	<p>Commonwealth acceptance of a Project Management document, which includes:</p> <ul style="list-style-type: none"> <li>• A project plan that outlines timelines, activities, deliverables, and responsibilities for the delivery of the Detailed Assessment, including a section on risk management and mitigation strategies</li> <li>• A summary of key personnel and consultants that have been engaged which outlines the roles and responsibilities of each team member for the delivery of the Detailed Assessment.</li> <li>• Evidence that governance arrangements described in the Additional Terms of this Schedule have been established, including any necessary Terms of Reference.</li> </ul>	Within 20 business days of signing this agreement	\$0.500 million
Detailed Assessment completion	2	<p>Commonwealth acceptance of the Detailed Assessment. The Detailed Assessment is to meet the information requirements for a Detailed Assessment at <b>Appendix 1</b> and include:</p> <ol style="list-style-type: none"> <li>infrastructure designs</li> <li>hydrological modelling,</li> <li>environmental assessments and approvals,</li> <li>a stakeholder engagement plan,</li> <li>cost-benefit analysis (P80 costs), based on concept designs of proposed infrastructure</li> <li>an implementation plan,</li> <li>responsibilities for ongoing operations and maintenance,</li> <li>a risk register,</li> <li>technical feasibility assessment, and</li> <li>a monitoring and evaluation plan.</li> </ol> <p>Documentation on project expenditure, including receipts, must be maintained and be available for submission if requested by the Commonwealth.</p>	16 May 2025	Up to \$1.435 million (1)
<b>TOTAL</b>				<b>Up to \$1.935 million</b>

(1) Payment is to be reduced if total project expenditure is less than total payment.

## Appendix 1

Extract from *Guidelines for the Assessment of new and amended supply measures under the SDLAM* (pages 11 to 12)

### Information requirements

This section summarises the information required for a supply measure to be brought forward for assessment and notification. This information will allow the BOC Alternates to assess individual projects and assist in assessing the potential SDL adjustment from proposed supply measures.

Not all requirements will be relevant for all proposed new supply measures. However, it is recommended that all requirements are considered, and where not relevant this is stated in the proposal with the associated rationale. Additionally, if required, the proponent may be asked to provide further information, including information not foreshadowed in these guidelines.

Judgement should be used by proponents, the BOC Alternates and jurisdictions to assess the level of detail required for a new project, commensurate with the risks to third parties, likely project outcomes and the potential offset. The information requirements are broadly consistent with the original Phase 2 Guidelines and have been rationalized to recognize the limited time for new proposals to be developed and projects to be implemented.

Proposals should include the following information, as relevant, and to an appropriate level of detail in the assessment report:

- Project Details - an overview of the project including a description of proposed measure, locality map and a definition of the measure as either environmental works and measures at point locations, or operating rules changes.
- Feasibility and fitness for purpose – establish that the project and any associated infrastructure is technically feasible and can be operational by 31 December 2026. Include information on any regulatory approvals including Commonwealth, state and local government planning, environmental and heritage regulations. Describe how ongoing management and monitoring requirements and costs will be met.
- Ecological values, objectives and targets – a description of the ecological values, objective and targets, and an analysis of any anticipated ecological benefits or impacts, and any interdependencies for achieving the identified outcomes.
- Hydrology – a description of the hydrology of the system or site, including the current frequency, duration and timing of relevant flow events, including any environmental water requirements that are required for the

supply measure. Include an estimate of the potential supply contribution and any impact on the reliability of entitlements.

- Hydrological model – proponents need to provide any models used to represent the proposal for use by the MDBA, and the technical modelling reporting with a summary of model inputs and parameters, calibration and validation results, and model assumptions.
- Operating regime – a brief description of how any structures will be operated to meet the ecological objectives and targets, and to minimize any adverse impacts. Information regarding alignment with the assumed behavior within the modelling, and how certainty in operations will be assured at project completion (e.g. operating plan, amendments to water sharing plans, agreements, asset ownership and management).
- Risk assessment and management strategy – to assess project delivery and operating risks and identify mitigation strategies that will need to be in effect at project completion to manage any risk.
- Complementary actions and interdependencies – all proposals must indicate the surface water SDL resource units that are affected by the measure (Basin Plan cl.7.12) and how they are affected, and identify any linkages with other supply or constraints measures.
- Costs and benefits – identify the costs and benefits of the proposal, including ongoing operation and maintenance costs and proposed financial responsibility for ongoing asset ownership costs.
- Project management – describe the governance and project management arrangements for the proposal, including a timeline of each stage throughout the life of the project.
- Stakeholder consultation and engagement – identify the key stakeholders and describe the consultation and engagement conducted during development of the project proposal and the position of stakeholders on the project.