

Australian Capital Territory Bridging the Gap Project

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule													
Parties	Commonwealth Australian Capital Territory (ACT)												
Duration	This Schedule will expire on 31 December 2024.												
Purpose	<p>The Murray-Darling Basin Plan (<i>Basin Plan 2012</i>) sets water recovery targets to bring the Basin back to a sustainable level of environmental health while continuing to support agriculture and securing the future of Basin communities.</p> <p>This Schedule will support the Australian Capital Territory (ACT) in delivering its Shared Reduction Amount (SRA) of 4.9 gegalitres per year (GL/y) Long Term Diversion Limit Equivalence (LTDLE) to meet the Sustainable Diversion Limit (SDL) under the Murray—Darling Basin Plan (The Project).</p> <p>As a result of this project, a 6.36 GL/y entitlement will become Commonwealth environmental water holdings that will be ‘held’ by the Commonwealth Environmental Water Holder (CEWH) in accordance with the <i>Water Act 2007</i>.</p> <p>Of the 6.36 GL/y, 4.9 GL/y will fulfill the ACT’s SDL resource unit SRA target set out in the <i>Basin Plan 2012</i>.</p> <p>Under the <i>Water Act 2007</i> and <i>Basin Plan 2012</i>, the Commonwealth Minister may allocate the additional 1.46 GL/y to become an additional held environmental water entitlement if it satisfies the specified criteria.</p>												
Agreed financial contributions	<p>The Commonwealth will provide a total financial contribution to the ACT of \$58.83 million (GST exclusive) in respect of this Schedule.</p> <p>Table 1: Agreed financial contributions</p> <table border="1"> <thead> <tr> <th>(\$ million)</th> <th>2023-24</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>58.83</td> <td>58.83</td> </tr> <tr> <td>Less Estimated Commonwealth Contributions</td> <td>58.83</td> <td>58.83</td> </tr> <tr> <td>Balance of State (other) Contributions</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	(\$ million)	2023-24	Total	Estimated total budget	58.83	58.83	Less Estimated Commonwealth Contributions	58.83	58.83	Balance of State (other) Contributions	0	0
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Additional terms	<p>Terms subject to funding</p> <p>Total funding from the Commonwealth to the ACT under this Schedule is calculated as \$9,250 per megalitre up to a maximum of \$58.83 million for 6.36 GL/y of water entitlements.</p> <p>The funding will be delivered when the 6.36 GL/y of water access entitlements become Commonwealth environmental water holdings. The water access entitlements must reduce the annual actual take in the ACT SDL resource unit by 6.36 GL/y LTDLE to be eligible.</p>
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Table 2: Performance requirements, reporting and payment summary

Performance milestones	Report due	Payment
<p>Milestone 1 – Establishment of ACT water accounting register Establishment of an ACT water accounting protocol and register to enable auditable accounting of water delivered to the CEWH at Halls Crossing.</p>	March 2024	Non-financial milestone
<p>Milestone 2 – Commonwealth environmental water holdings The water must become Commonwealth environmental water holdings by 30 June 2024. The funding will be delivered when the 6.36 GL/y of water access entitlements become Commonwealth environmental water holdings.</p>	30 June 2024	\$58.83 million

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: 8 / 2 / 24

Signed for and on behalf of the Australian Capital Territory by



Mr Shane Rattenbury MLA
Minister for Water, Energy and Emissions Reduction

Date: 14 / 3 / 24