

Off-farm Efficiency Program New South Wales State-led Murrumbidgee Irrigation Automation Finalisation Project

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of Schedule																					
Parties	Commonwealth New South Wales (NSW)																				
Duration	This Schedule is expected to expire on 30 June 2024.																				
Purpose	<p>This Schedule will support the New South Wales Murrumbidgee Irrigation Automation Finalisation (MIAF) project.</p> <p>The MIAF Project will generate water savings of 7,390 megalitres per year (ML/y) providing water recovery of 6,290 ML/y of high reliability (Murrumbidgee Conveyance) water entitlements to the Commonwealth with a Long-Term Average Annual Yield (LTAAY) of 5,472 ML/y.</p> <p>The MIAF Project will improve water delivery efficiency, increase delivery performance, support agricultural production and regional community, and increase water security across the Murrumbidgee Irrigation Area, leading to improved agricultural activity and generating benefits for the local and regional communities.</p> <p>This Schedule is approved on the basis that the MIAF project and activities identified satisfy s86AD of the Water for the Environment Special Account (in Pt 2AA of the <i>Water Act 2007</i>) and has been assessed using socio-economic assessment criteria agreed by the Murray-Darling Basin Ministerial Council and completed by NSW.</p>																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to NSW of \$126.48 million (GST exclusive) in respect of this Schedule.</p> <p>Table 1: Estimated Financial Contributions</p> <table border="1"> <thead> <tr> <th>Estimated budget (\$ million)</th> <th>2021-22</th> <th>2022-23</th> <th>2023-24</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>30.000</td> <td>80.000</td> <td>16.480</td> <td>126.480</td> </tr> <tr> <td>Less Estimated Commonwealth Contributions</td> <td>30.000</td> <td>80.000</td> <td>16.480</td> <td>126.480</td> </tr> <tr> <td>Balance of State Contributions</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table>	Estimated budget (\$ million)	2021-22	2022-23	2023-24	Total	Estimated total budget	30.000	80.000	16.480	126.480	Less Estimated Commonwealth Contributions	30.000	80.000	16.480	126.480	Balance of State Contributions	0.0	0.0	0.0	0.0
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Additional terms	Funding																				

	<p>Total funding from the Commonwealth to NSW under this Schedule will be up to the maximum amount of \$126.48 million (GST exclusive) with any project costs above this amount provided by NSW.</p> <p>Funding is provided to the following sub-projects/activities:</p> <ul style="list-style-type: none"> • MI Automation Finalisation Project \$124.0 million • NSW Project Management and Support \$2.48 million <p>NSW is to provide regular project progress reporting to the Commonwealth monthly in addition to FFA milestone reporting schedule requirements.</p> <p>NSW will provide a report of income and expenditure on an annual basis. The audit report is to include a financial report that contains a statement of payments and receipts in respect of these projects that must be certified by a person undertaking the role of Chief Financial Officer of the Organization (or a comparable role) and that includes a statement that the financial accounts are true and fair.</p> <p>The final report and final audited financials will be provided within 6 months of the expiry of this schedule or within 6 months of practical completion of the project (whichever comes first) to enable reporting at the end of 2023-24 financial year).</p> <p>Project terms</p> <p>NSW will be responsible for ensuring that, for the purposes of certifying practical completion, the Project will:</p> <ol style="list-style-type: none"> (a) be complete and free from defects or omissions, except for defects or omissions that are minor in nature, that NSW cannot reasonably fix, or by fixing, will significantly inconvenience users of the works; (b) not cause any legal or physical impediment to the use and occupation of the property and the works for the designated use; and (c) be fit for the designated use. <p>NSW will, where there is a shortfall between the final water audit and the total amount agreed in this schedule, make up this shortfall and ensure the full 6,290 ML/y of water entitlements (5,472 ML/y LTAAY) are transferred to the Commonwealth before 30 June 2024.</p>

Table 2: Performance requirements, reporting and payment summary		
Performance milestones for NSW Department of Planning, Industry and Environment (DPIE) and Murrumbidgee Irrigation Limited (MI)	Report due	Payment
<p>Milestone 1 - Execution of Agreement</p> <ul style="list-style-type: none"> • Engage the project director and associated project management resources • Establish project systems and processes (report) • Establish Commonwealth-State governance arrangements • Provide project management plan and risk plan as well as all 	on execution	30,000,000

outstanding project approvals and permits for start conditions.		
<p>Milestone 2</p> <ul style="list-style-type: none"> • Progress Report #1 describing against the following performance benchmarks: <ul style="list-style-type: none"> ○ Progress against the project management plan – including statistics on the status of procurements (number, value, status) and status of all on ground works (planned, commencing, underway, completed). ○ WHS outcomes and responses and risks management and treatments, ○ Regional stimulus outcomes (FTEs, local spend information, contracts awarded/to be awarded) ○ Stakeholder Engagement Report ○ Income and expenditure report. ○ Governance report (number of meetings, major discussions, risk) • Provision of final detailed designs and costings for Roach’s Reservoir project activity • Transfer of 2,790 ML of water entitlements to the Commonwealth 	30 September 2022	60,000,000
<p>Milestone 3</p> <ul style="list-style-type: none"> • Progress Report #2 describing against the following performance benchmarks: <ul style="list-style-type: none"> ○ Progress against the project management plan, ○ On ground works completed-cumulative construction outcomes – 400 regulators and outlets completed, 10200 metres channels and pipelines completed. ○ WHS outcomes and responses and risks management and treatments, ○ Regional stimulus outcomes (FTEs, local spend information, contracts awarded/to be awarded) ○ Stakeholder Engagement Report ○ Income expenditure report. ○ Governance report (number of meetings, major discussions, risk) • Variation report (detailing any scope, activity or outcome changes) where required 	31 March 2023	20,000,000
<p>Milestone 4</p> <ul style="list-style-type: none"> • Progress Report #3 describing against the following performance benchmarks: <ul style="list-style-type: none"> ○ Progress against the project management plan, ○ On ground works completed-cumulative construction outcomes – 770 regulators and outlets completed, 20700 metres channels and pipelines completed. ○ WHS outcomes and responses and risks management and treatments, ○ Regional stimulus outcomes (FTEs, local spend information, contracts awarded/to be awarded) ○ Stakeholder Engagement Report ○ Income expenditure report. ○ Governance report (number of meetings, major discussions, risk) 	30 November 2023	8,480,000

Transfer of 2,500 ML of high reliability (Murrumbidgee Conveyance) water entitlements to the Commonwealth		
Milestone 5 <ul style="list-style-type: none"> • On ground works completed and verified- and confirmation of any outstanding works and project activities still to be completed for practical completion. • Draft Final MIAF Report describing achievements, scope changes, stakeholder engagement, risks, WHS, water savings verification assessment, confirmation of all water transfers, and independent financial audits. • Lessons learnt reporting. • Transfer of 1,000 ML of high reliability (Murrumbidgee Conveyance) water entitlements to the Commonwealth. • Draft Issue of independent audit of income and expenditure for the MIAF project. 	9 May 2024	8,000,000

The Parties have confirmed their commitment to this Schedule as follows:

*Signed for and on behalf of the
Commonwealth of Australia by*

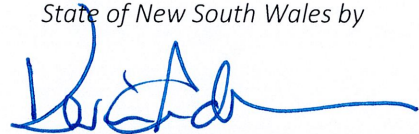


The Honourable Keith Pitt MP
Minister for Resources and Water

7 / 4 / 2022

[Day] [Month] [Year]

*Signed for and on behalf of the
State of New South Wales by*



The Honourable Kevin Anderson MP
Minister for Lands and Water

6 4 2022

[Day] [Month] [Year]