

Off-farm Efficiency Program New South Wales State-led Feasibility 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 28 October 2022																				
Purpose	<p>This Schedule will support the New South Wales Off-farm Efficiency Program Feasibility Project (the Project).</p> <p>The Project will undertake various activities with irrigation infrastructure operators (IIOs) and other water users in NSW to deliver robust, full complete and assessment-ready applications to the Off-farm Efficiency Program (OFEP).</p> <p>The Project will enable activities required to inform full project proposals that can be considered for funding through the Off-farm Efficiency Program. Activities may include ground surveys, soil testing, hydraulic modelling, detailed design, water loss calculations, cost estimation, water recovery and savings volumes verification, or other activities that are required to inform full project applications.</p> <p>This Schedule is approved on the basis that the 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 intend to lead to several applications to the Australian Government’s Off-farm Efficiency Program.</p>																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to NSW of \$5.0 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></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Less Estimated Commonwealth Contributions</td> <td>2.1</td> <td>2.9</td> <td>-</td> <td>5.0</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					Less Estimated Commonwealth Contributions	2.1	2.9	-	5.0	Balance of State Contributions	0.0	0.0	0.0	0.0
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Balance of State Contributions	0.0	0.0	0.0	0.0																	
Additional terms	Funding																				

Total funding from the Commonwealth to NSW under this Schedule will be up to the maximum amount of \$5.0 million (GST exclusive) with any project costs above this amount provided by NSW.

NSW 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.

The final report and audited financials must be provided within 6 months of the expiry of this schedule (to enable reporting at the end of 2022-23 financial year).

Project terms

NSW will be responsible for all aspects of delivering on the approved outputs as set out in this schedule.

NSW will report outside this schedule to Off-farm Efficiency Program agreed governance committees (Steering Committee(s), Project Control Groups and with the Department of Agriculture, Water and the Environment project team throughout the project.

Activities undertaken from funding within this schedule must be aligned to feasibility activities that will assist NSW and proponents to make funding submissions to the Off-farm Efficiency Program. Projects should have a genuine chance of leading to projects that can provide water recovery to the Commonwealth via Efficiency Measures.

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
Milestone 1 - Execution of Agreement <ul style="list-style-type: none"> • Provide an overarching project plan/implementation plan for the project (addressing how NSW will manage the funding and project activities). • Identify priority IIOs and other water users and activities to be undertaken. 	On execution	2,100,000
Milestone 2 <ul style="list-style-type: none"> • A Progress Report including: <ul style="list-style-type: none"> ○ status of all activities undertaken, locations, contracts awarded, progress and risks ○ summary of applications submitted for full OFEP funding assessment ○ pending OFEP applications and the expected timeframes for submission ○ estimated water savings/water returns to be expected from full OFEP applications ○ stakeholder engagement report • Reporting on project financials (income and expenditure). 	13 July 2022	2,000,000
Milestone 3 <ul style="list-style-type: none"> • A draft final report detailing: <ul style="list-style-type: none"> ○ the outcomes of the feasibility studies (building on the progress report) ○ stakeholder engagement, communications activities ○ any local benefits (jobs etc.) from the activities undertaken ○ contractor/contracting details ○ summary of total water losses, water savings and water recovery volumes to be expected from OFEP applications ○ summary of any social, economic modelling or analysis undertaken to support OFEP applications ○ an income expenditure report for the life of the project. 	30 September 2022	900,000

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

Date: / /

7 / 4 / 2022

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



The Honourable Kevin Anderson MP
Minister for Lands and Water

Date: 6 / 4 / 2022