

# NSW Local Water Utility Efficiency Measures Project - Feasibility Study

## PROJECT SCHEDULE FOR NEW SOUTH WALES-LED EFFICIENCY PROJECTS

1. This schedule has been developed for delivery of a feasibility study consistent with Table 1. of the Project Agreement for Murray- Darling Basin Water Infrastructure –New South Wales –led Efficiency Projects
2. The NSW Local Water Utility Efficiency Measures Project will provide a feasibility study which will determine options for recovery of an estimated 9 GL of efficiency measures water under the Murray Darling Basin Water Infrastructure Program.
3. The NSW Department of Industry-Water will commission a consultancy to study how Local Water Utilities (LWU) could benefit from infrastructure projects to improve water metering technology, leak detection, repair and pressure management which in turn could contribute to Commonwealth water recovery for efficiency measures.
4. These reports will provide the basis for decision making by NSW and the Commonwealth, on whether to proceed with development of a full business case for the identified options.
5. If the parties decide to proceed with business case development, a new project sub- schedule will be added to the Agreement which details the development and consequent implementation activities and milestones.
6. The final project feasibility study will be completed by October 2020 and will address the information requirements and criteria in clause 23 of the Project Agreement for Murray- Darling Basin Water Infrastructure – New South Wales- led Efficiency Projects.
7. The Project Feasibility milestone reports are in three stages and will:
  - (a) Stage 1 - identify the required project effort through a desktop study of approximately 70 Local Water Utilities' water systems, usage, and entitlement portfolio and water savings opportunities.
  - (b) Stage 2 - identify options and preliminary feasibility including cost estimates, risks, legislative and administrative arrangements and potential water savings.
  - (c) Stage 3 – engage and negotiate acceptance of the proposals with potential LWU participants for the NSW Local Water Utility Efficiency Measures Project.
8. In accordance with clause 19 of the Agreement, milestones for projects, their relationship to outputs, expected completion dates, relevant reporting dates and expected payments are set out in Table 1.

9. The Commonwealth will provide an estimated total financial contribution to this project of \$500,000 in respect of this Agreement as shown in Table 1. All payments are GST exclusive.

**Table 1: Milestones, reporting and payment summary**

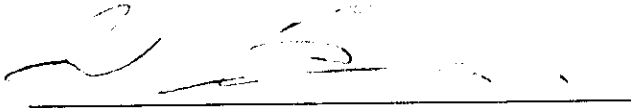
Outputs	Milestones	Report due	Payment
<b>Feasibility Study</b>	Project commencement on signature of the Agreement by the NSW and Commonwealth Ministers	N/A	\$0
	Stage 1 – desktop study scoping report	10/2019	\$100,000
	Stage 2- options and technical feasibility report	06/2020	\$150,000
	Stage 3 – stakeholder engagement and option selection, and the final feasibility report	10/2020	\$250,000
		<b>TOTAL</b>	<b>\$500,000</b>

10. New South Wales will be responsible for ensuring that completion of the Feasibility Study and the viable options proposal provides relevant information as the basis for decision making in accordance with clause 23 of the Agreement. This will include costings for the development of the business case and preliminary cost estimates for implementation of projects.
11. The Commonwealth agrees, in line with clause 41 of the Project Agreement, that costs associated with LWU proposals will be assigned pro-rata using the following formula:
- (approximately) 70 x Local Water Utilities (or sub-projects)
- will be divided by the total of the available funding \$500,000
- to provide  $\$500,000 / 70 = \$7,143$  per sub-project.

## SIGN OFF

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

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

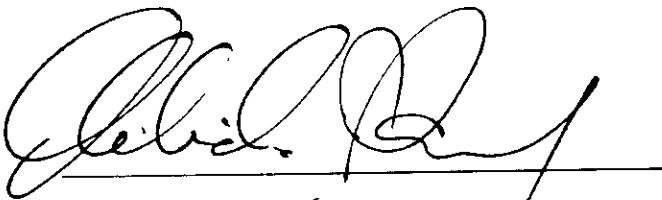


**The Honourable David Littleproud MP**

Minister for Water Resources, Drought, Rural Finance,  
Natural Disaster and Emergency Management

Date: 4.7.19

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



**The Honourable Melinda Pavey MP**

Minister for Water, Property and Housing

Date: 26 08 2019