

# PROJECT AGREEMENT FOR STAGE 1A FUNDING OF THE WILCANNIA WEIR PROJECT

An agreement between:

- the Commonwealth of Australia; and
- the State of New South Wales

The output of this Agreement will be Stage 1A activities (including technical investigations, stakeholder consultation and water quality risk assessment) to finalise the business case for the potential replacement of Wilcannia Weir.

# Project Agreement for Stage 1A Funding of the Wilcannia Weir Project

## OVERVIEW

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.

### Purpose

2. This Agreement will support project development (Stage 1A) activities to enable a final business case to be prepared on options for the potential replacement of Wilcannia Weir. The activities include technical investigations, stakeholder consultation and water quality risk assessment. The Agreement will also ensure stakeholders including the local and indigenous community participate in the process of identifying the preferred option for the Wilcannia Weir project.

### Reporting Arrangements

3. The States will report against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

### Financial Arrangements

4. The Commonwealth will provide an estimated total financial contribution to the State of 50 per cent (up to \$75,000 exclusive of GST) of the total cost in respect of this Agreement, as set out in Part 5 – Financial Arrangements, noting that the New South Wales Government will match the Commonwealth's financial contribution.

## PART 1 – FORMALITIES

### Parties to this Agreement

5. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of New South Wales.

### Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and the State sign it and will expire on 31 July 2019 or on completion of the project, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

## PART 2 – PROJECT OUTPUTS

### Outputs

7. The outputs of this Agreement will enable the State to confirm a preferred option for Wilcannia Weir to enable the project to progress to concept design and environment assessment, the outputs include:
  - (a) An addendum to the existing Wilcannia Weir Business case that documents the outcomes from the activities undertaken during Stage 1A:
    - 1 A structural investigation, including consultation with Water NSW regarding workplace, health and safety considerations, to assess the feasibility and estimated cost of refurbishing the existing weir.
    - 2 A secure yield analysis to consider the implications of varying weir heights.
    - 3 High level costs and benefits assessment of weir type options.
    - 4 Additional stakeholder consultation including a specialist sub-consultancy to engage with the community to ensure broad support for the adopted option.
    - 5 A water quality risk assessment, including on impacts by storm or sewerage system overflows; and
  - (b) A separate report on all aspects of the community consultation undertaken through Stage 1A activities (such as dates, times, participants, questions asked and feedback received).

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

8. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against milestones in the delivery of the Stage 1A activities for the Wilcannia Weir Project under this Agreement to ensure that outputs are delivered within the agreed timeframe;
  - (b) providing a consequent financial contribution to the State to support the implementation of this Agreement; and
  - (c) participating, at its discretion, as an observer in the project governance arrangements established by the State.

### Role of the State

9. The State will be responsible for:
  - (a) providing a financial contribution that equals or exceeds the Commonwealth to support the implementation of this Agreement;
  - (b) all aspects of delivering on the project outputs set out in this Agreement;
  - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments; and

- (d) establishing appropriate governance frameworks that include project management that monitors and provides strategic advice and direction on the implementation of the activities and the delivery of the outputs specified in this Agreement; and
- (e) ensuring that project delivery partners give preference to indigenous (including small indigenous enterprises) and local suppliers and employment, and encourage the use of indigenous labour where possible.

## Shared roles

- 10. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

## PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

- 11. Table 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the annual performance report demonstrating the relevant milestone has been met.

**Table 1: Performance requirements, reporting and payment summary**

Outputs	Performance milestones	Report due	Payment
Consistent with Clause 7	<p>An addendum to the existing Wilcannia Weir Business case consistent with Clause 7(a) including:</p> <ul style="list-style-type: none"> <li>a structural investigation,</li> <li>a secure yield analysis to consider the implications of varying weir heights</li> <li>a high level costs and benefits assessment of weir type options</li> <li>additional stakeholder consultation</li> <li>a water quality risk assessment.</li> </ul> <p>A separate report on all aspects of the community consultation, as set out in 7(b).</p>	31/07/2019	Up to \$75,000

- 12. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

## Reporting arrangements

- 13. The State will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain a description of actual performance in the period to date against the project milestones.

## PART 5 – FINANCIAL ARRANGEMENTS

14. The Commonwealth will provide an estimated total financial contribution to the State of 50 per cent (up to \$75,000) of the total cost to meet the actual expenditure incurred in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth's funding contribution will not be reduced where the State secures funding from other activity partners.
16. The Commonwealth's and the State's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

**Table 2: Estimated financial contributions**

	2018-19	Total
<b>Estimated total budget</b>	<b>\$150,000</b>	<b>\$150,000</b>
Less estimated National Partnership Payments	\$75,000	\$75,000
Balance of non-Commonwealth contributions	\$75,000	\$75,000

(a) Notes: Non-Commonwealth contributions from the New South Wales Government

17. The provision of Stage 1A funding or completion of Stage 1A activities does not guarantee further funding for the project. The findings of Stage 1A activities will inform future decisions on whether the project proceeds to implementation.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

18. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

### Variation of the Agreement

19. The Agreement may be amended at any time by agreement in writing by both the Parties.
20. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

### Delegations

21. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### Dispute resolution

22. Either Party may give notice to the other Party of a dispute under this Agreement.
23. Officials of both Parties will attempt to resolve any dispute in the first instance.
24. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.



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

Signed for and on behalf of the Commonwealth  
of Australia by

A blue ink signature of David Littleproud, written in a cursive style.

**The Honourable David Littleproud MP**

Minister for Agriculture and Water Resources

11 02 2019  
[Day] [Month] [Year]

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

A black ink signature of Niall Blair, written in a cursive style.

**The Honourable Niall Blair MLC**

Minister for Regional Water

21 2 2019  
[Day] [Month] [Year]