

# Off-farm Efficiency Program: State-led New South Wales Nap Nap Station Water Efficiency Project

## FEDERATION FUNDING AGREEMENT – ENVIRONMENT

<b>Table 1: Formalities and operation of schedule</b>																	
Parties	Commonwealth New South Wales (NSW)																
Duration	This Schedule is expected to expire on 15 December 2023																
Purpose	<p>The Commonwealth is providing funding to support NSW in delivering the Nap Nap Station Water Efficiency Project (The Project).</p> <p>The project's proposed works include</p> <ul style="list-style-type: none"> <li>• installation of 85 kilometres of piping,</li> <li>• installing two stock and domestic pump stations,</li> <li>• installing 31 tanks and 37 new troughs</li> <li>• additional tank fittings that will enable the NSW Rural Fire Service to access water in emergency situations should it be required.</li> </ul> <p>The project will modernise water infrastructure at Nap Nap Station. This will generate total water savings of 300 megalitres per year (ML/y). A water return of 147 ML/y of NSW Murrumbidgee high security water entitlement will be provided to the Commonwealth (Long-Term Average Annual Yield (LTAAY) of 143.62 ML/y).</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>).</p>																
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to New South Wales of \$2.39 million (GST exclusive) in respect of this Schedule.</p> <p><b>Table 1: Estimated financial contributions</b></p> <table border="1"> <thead> <tr> <th>(\$ million)</th> <th>2022-23</th> <th>2023-24</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Estimated total budget</b></td> <td><b>2.07</b></td> <td><b>0.44</b></td> <td><b>2.51</b></td> </tr> <tr> <td>Less Estimated Commonwealth Contributions</td> <td>1.95</td> <td>0.44</td> <td>2.39</td> </tr> <tr> <td>Balance of State (other) Contributions</td> <td>0.12</td> <td>0.00</td> <td>0.12</td> </tr> </tbody> </table>	(\$ million)	2022-23	2023-24	Total	<b>Estimated total budget</b>	<b>2.07</b>	<b>0.44</b>	<b>2.51</b>	Less Estimated Commonwealth Contributions	1.95	0.44	2.39	Balance of State (other) Contributions	0.12	0.00	0.12
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Additional terms	<p><b>Funding</b></p> <p>Total funding from the Commonwealth to NSW under this Schedule will be \$2.39 million with any project costs above this amount to be met by NSW or the project proponent.</p> <p>New South Wales will ensure all required project approvals are obtained before commencing construction activities including but not limited to;</p> <ul style="list-style-type: none"> <li>• Construction activities on Crown land</li> <li>• Cultural impacts arising from construction</li> <li>• Environmental impacts arising from construction</li> </ul> <p>NSW will provide interim reports as per the milestones in Table 2 and a final report that includes a financial report containing a statement of payments and receipts in respect of the project.</p> <p>The final report must be certified by a person undertaking the role of Chief Financial Officer of the Organisation (or a comparable role) and include acquittal of the Nap Nap Station organisation's financial contributions (as per the approved budget), and be supported by a statement that the financial accounts are true and fair.</p> <p>The final report and final audited financials (including the Nap Nap Station organisation contributions as per the approved budget), will be provided within 30 business days of the project's completion or the expiry of this schedule (whichever occurs first).</p> <p><b>Project terms</b></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"> <li>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;</li> <li>b) Not cause any legal or physical impediment to the use of occupation of the property and the works for the designated use; and</li> <li>c) Be fit for the designated use.</li> </ol> <p>NSW must ensure all Non Commonwealth in-kind/cash contributions are applied to the project and acquitted in full as per the approved budget.</p> <p>NSW must transform the Stock and Domestic entitlements into an equivalent high security product (NSW Murrumbidgee) for use by the Commonwealth Environmental Water Holder and provide Nap Nap Station with a new Stock and Domestic Water Access Licence for the revised entitlement volume.</p> <p>Where there is a shortfall between the actual water saved as a result of the project activities and the volume of water to be returned, NSW or the project proponent must make up this shortfall to ensure that 143.62 ML LTAAY of Murrumbidgee high security water entitlements are transferred to the Commonwealth before 15 December 2023.</p>
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**Table 2: Performance requirements, reporting and payment summary**

Performance milestones	Report due	Payment
<p><b>Milestone 1 - Project preliminaries</b></p> <ul style="list-style-type: none"> <li>• Establishment Report 1 including:               <ul style="list-style-type: none"> <li>○ Progress and timing for the engagement of the project director and associated project management resources.</li> <li>○ Project systems and processes.</li> <li>○ Commonwealth-State governance arrangements.</li> <li>○ Project management plan, risk plan and plan/progress toward achieving project approvals and permits for start conditions.</li> </ul> </li> </ul>	<p>Within 30 days of execution of this schedule.</p>	<p>\$950,000</p>
<p><b>Milestone 2</b></p> <ul style="list-style-type: none"> <li>• Progress Report including:</li> <li>• Overarching Project Plan containing but not limited to               <ul style="list-style-type: none"> <li>○ Interim financial report to date including the Nap Nap Station organisation contributions (as per the approved budget).</li> <li>○ 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).</li> <li>○ Confirmation of any outstanding works and project activities still to be completed,</li> <li>○ Workplace Health and Safety outcomes and responses; risks management and treatments,</li> <li>○ Governance report (number of meetings, major discussions, risks).</li> </ul> </li> <li>• Evidence of the conversion of 150 ML of Stock and Domestic water entitlements to Murrumbidgee High Security water entitlements.</li> <li>• Evidence of the revised Water Access Licence for Nap Nap Station.</li> <li>• Evidence of the transfer of 147 ML (143.62 ML LTAA) Murrumbidgee High Security water entitlements to the Commonwealth Environmental Water Holder.</li> </ul>	<p>15 March 2023</p>	<p>\$1,000,000</p>
<p><b>Milestone 3 – Final Report</b></p> <ul style="list-style-type: none"> <li>• Interim Final report including (but not limited to):               <ul style="list-style-type: none"> <li>○ Certified financial report including the Nap Nap Station organisation contributions (as per the approved budget).Any stakeholder interactions or engagements.</li> <li>○ On ground works completed and verified - final cumulative construction outcomes including;                   <ul style="list-style-type: none"> <li>▪ pipeworks laid to modernise the Stock and Domestic water delivery system.</li> </ul> </li> </ul> </li> </ul>	<p>15 July 2023</p>	<p>\$440,000</p>



<ul style="list-style-type: none"> <li>▪ number of new tank, and troughs installed to modernise the Stock and Domestic water delivery system.</li> <li>▪ new pumps to meet pressure requirements; and</li> <li>▪ number of standardised fittings installed to enable RFS access to the modernised system for firefighting purposes.</li> <li>▪ Project changes and/or modifications including unfinished works or activities.</li> <li>▪ Summary of work, health and safety and/or other incidents impacting the project and outcomes.</li> </ul> <ul style="list-style-type: none"> <li>• Confirmation of the completion of all water entitlement changes and transfers.</li> </ul>		
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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: 1 / 11 / 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: 17 / 11 / 2022