

Urban Rivers and Catchments Program – Round 1

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

| Table 1: Formalities and operation of Schedule | |
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| Parties | <p>Commonwealth New South Wales Victoria Queensland Western Australia South Australia Tasmania Australian Capital Territory Northern Territory</p> |
| Duration | <p>This Schedule will commence as soon as the Commonwealth and one other Party sign it and is expected to expire on 30 June 2028. Each Appendix will commence on the date the relevant part of the Schedule has been signed by both the Commonwealth Minister and the relevant state/territory Minister.</p> |
| Purpose | <p>This Schedule will support the delivery of Round 1 of the Urban Rivers and Catchments Program (the Program). Through a range of approved Projects, the Program will re-naturalise or enhance the natural qualities of waterways in urban, peri-urban and exurban areas to benefit native species including threatened species.</p> <p>Funding will be provided for approved activities (specified by Project) that establish and/or improve riparian and aquatic habitat, or improve water quality, hydrology, or in-stream connectivity, to benefit native species including threatened species. Additional Project benefits may include improving urban green space, providing community access to nature, and reducing heat-related impacts in urban areas due to climate change.</p> <p>Program funding will be provided to state/territory governments, who will partner with various organisations (to be known as Delivery Agents). Delivery Agents may include local governments, water utilities and other non-government entities and will be engaged by state/territory governments to deliver approved Program activities (as specified for particular Projects).</p> |

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| <p>Estimated financial contributions</p> | <p>The Commonwealth will provide an estimated total financial contribution to the states and territories of up to \$91 million in respect of this Schedule.</p> <p>Potential funding for further rounds of the Program are subject to a decision of Government, and will not use this same funding mechanism.</p> <p>Details of the estimated financial contributions by the Commonwealth and others in respect of this Schedule are set out in the tables below and the relevant Appendices to this Schedule. Projects will be added to this Schedule in tranches as they are approved for Program funding by the Commonwealth Minister. This will be enacted by a Variation to this Schedule by the Commonwealth and other relevant state/territory Ministers.</p> <p>Commonwealth contributions will be provided upon the achievement of the agreed Project milestones as set out in the tables below and the relevant Appendices to this Schedule.</p> |
| <p>Asset Ownership</p> | <p>Any assets being constructed or modified as part of Projects outlined in this Schedule already have existing asset ownership arrangements in place. The Commonwealth will not acquire any assets nor any liability for any operations, maintenance or recurrent costs from works undertaken or associated with any of the Projects outlined in this Schedule.</p> |
| <p>Governance Arrangements</p> | <p>To reflect the funding arrangements for the Program, an appropriate governance structure will be established to monitor and provide strategic direction for the implementation of approved Projects outlined in this Schedule. This structure will comprise Commonwealth and state/territory government officials and may seek input from Delivery Agents or other partner organisations as appropriate.</p> |
| <p>Work Plans</p> | <p>Where appropriate, and agreed by both Parties, Projects being delivered under this Schedule may refer to Project Work Plans (as outlined at Attachment 1) that have been agreed in writing by Senior Officials as per the performance milestones in the relevant Appendix to this Schedule.</p> |
| <p>Hold Point Process</p> | <p>Where appropriate and agreed by both Parties, certain Projects being delivered under this Schedule may be subject to a firm decision point (to be known as a Hold Point) by Commonwealth senior officials.</p> <p>Further information on the Commonwealth Hold Point Process is outlined in Attachment 2.</p> |

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| Recognition of Funding | <p>In addition to the requirements set out in clause 21 of the <i>FFA-Environment</i>, all Parties agree to:</p> <ul style="list-style-type: none">a. recognise the Commonwealth funding contribution to Projects in all publications, promotional and advertising materials including Project signage, and all public announcements and activities in relation to the Project as appropriate, and must consult the Commonwealth prior to the release of all promotional-related material concerning all Projects funded under this Schedule;b. provide reasonable opportunity for the Commonwealth to contribute to developing communications strategies;c. provide the Commonwealth with equal access to products obtained under this Schedule for use in the development of promotional material; including but not limited to Project data, footage and images; andd. where the Commonwealth is a majority funder of the Project, promotional material and public recognition, including announcements and launch events, should provide major-prominence to the Commonwealth and opportunities for Commonwealth involvement. |
|------------------------|--|

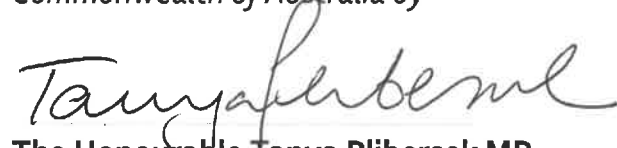
| Table 2F: Tasmania – Projects and payment summary | | | |
|---|--|---------------------------------|-------------------------------------|
| Output (Projects) | Project Description | Total Commonwealth contribution | Total non-Commonwealth contribution |
| TAS-01 – Derwent River monitoring and restoration | The project will deliver four subprojects to improve the environmental health of the Derwent River and its estuary: Stormwater pollution monitoring to improve water quality; conservation actions for the threatened Spotted Handfish; improved data communication; and on ground restoration works. | \$ 500,000 | \$ 54,000 [#] |
| TAS-02 – Tamar Estuary Management Taskforce Trial Wetland Restoration Project – North Esk River | The project will restore wetlands in the North Esk River to reduce sediment in the Tamar Estuary (kanamaluka). The restoration of wetlands in the North Esk River aims to improve water quality and aquatic habitat to benefit native species. Activities will increase community access to the estuary by increasing the tidal prism and in turn, decrease the extent of sediment/mudflats. | \$ 8,000,000 | \$ 750,000* |

*This is a combination of cash and in-kind co-contributions.

[#]This is an in-kind co-contribution.

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

27.12.24

**Signed for and on behalf of the
State of Tasmania by**



The Honourable Jeremy Rockliff MP
Minister for State Development,
Trade and the Antarctic

13 / 02 / 2024

Requirements of Project Work Plans

1. Where required, a Project Work Plan (PWP) will be used to support the delivery of approved Projects agreed under this Schedule. A PWP will demonstrate the outcomes to be delivered by a Project in line with the objectives of the Urban Rivers and Catchments Program and will be proportionally scaled in relation to Commonwealth investment and other delivery risks. It will also provide certainty and transparent accountability for all Parties.
2. Project Work Plans are to be “living documents” over the life of the Project, demonstrating review and continuous improvement during the Project’s delivery. It should address the following content, and be updated as necessary.
 - a. Scope of the approved Project.
 - b. Outcome (change) statement(s) for the Project.
 - c. Quantifiable outputs (activity targets) to deliver the Project outcomes.
 - d. Project delivery schedule, including a list of key deliverables to be provided at milestone dates throughout the project (including any required regulatory approvals).
 - e. Monitoring, evaluation, reporting and improvement plan.
 - f. Stakeholder communications and engagement plan for all stakeholders including First Nations Australians.
 - g. Project marketing strategy.
 - h. Governance arrangements, including for adaptive management and risk management.
 - i. Key Project delivery risks including proposed controls or treatments to mitigate risks.

Progress reporting against Project Work Plans

3. To meet progress status reporting requirements, project status reports (as specified in the performance milestones) should include an update against the above list as well as:
 - a. Statement and/or evidence to demonstrate progress against the accepted Project Work Plan.
 - b. Brief statement in relation to Commonwealth funding for the Project.
 - c. Identification of new or emerging risks to delivery of the Project, and management of those risks.
 - d. Evidence-based modification of the delivery approach and/or arrangements (adaptive management).
 - e. Recommitment to the Project Work Plan, including appropriate updates to activity details for the period specified in the performance milestone table in the relevant Appendix this Schedule.

Commonwealth Hold Point Process

1. In some cases, Projects that comprise Round 1 of the Urban Rivers and Catchments Program may still require further refinement and planning before a Project Work Plan (see **Attachment 1**) can be developed. In other cases, there are additional Project delivery risks which require further information during the Project to mitigate these risks.
2. In such cases, Parties have agreed to a Hold Point for a given Project before the next milestone is progressed, which is specified for a given Project in the relevant Appendix to this Schedule.
3. The purpose of this Hold Point is a firm review check-in point for the Commonwealth to ensure all Project activities remain viable and will achieve the Program objectives.
4. At this Hold Point, the Commonwealth will consider information provided to that date by the State/Territory government against the Performance Milestones (as specified in the relevant Appendix to this Schedule) and any other relevant information. Technical expertise may be sought to assist the Commonwealth with this decision.
5. Should the Commonwealth identify significant risks associated with Project delivery, viability or alignment to the Program objectives at this Hold Point, Commonwealth Senior Officials will write to their State/Territory government counterpart within 20 business days of when the performance milestone was submitted for Commonwealth consideration.
 - a) This advice will clearly outline the risks identified by the Commonwealth, and/or requirements, and initiate a pathway to resolve them. The State will then have another 20 business days by which to provide any necessary supporting documentation, or to propose a pathway forward.
 - b) Parties should work collaboratively and constructively to address the Commonwealth's concerns, and investigate all reasonable options to address any of the requirements or risks raised. Such discussions should also be undertaken as efficiently as practicable to avoid loss of momentum for project, increased costs or other adverse impacts arising from a protracted pause.
 - c) Termination of the Project will be a last resort.
6. Subject to the findings of the Commonwealth Hold Point, and written advice from Commonwealth Senior Officials, a variation to the relevant Appendix to this Schedule may be required.

Urban Rivers and Catchments Program – Round 1

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

| Table F1: Formalities and operation of Appendix F. | |
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| Parties | Commonwealth Tasmania |
| Purpose | This Appendix has been developed in accordance with the Urban Rivers and Catchments Program Schedule (the Schedule), to set out the Commonwealth and Tasmania’s estimated expenditure profile and performance milestones to support the operation of the Schedule. |
| Estimated financial contributions | The Commonwealth will provide an estimated total financial contribution to Tasmania of up to \$8.5 million in respect of this Appendix as outlined in Table F2. |

| Table F2: Estimated financial contributions | | | | | | | |
|---|----------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Project Funding (\$) | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | Total |
| Estimated total budget | | 1,187,000 | 1,327,000 | 2,270,000 | 2,220,000 | 2,300,000 | 9,304,000 |
| Less estimated National Partnership Payments | | 560,000 | 1,150,000 | 2,270,000 | 2,220,000 | 2,300,000 | 8,500,000 |
| TAS-01 – Derwent River monitoring and restoration | | 60,000 | 150,000 | 170,000 | 120,000 | | \$500,000 |
| TAS-02 – Tamar Estuary Management Taskforce Trial Wetland Restoration Project – North Esk River | | 500,000 | 1,000,000 | 2,100,000 | 2,100,000 | 2,300,000 | \$8,000,000 |
| Balance of non-Commonwealth contributions | | 627,000 | 177,000 | | | | 804,000 |

| Table F3: Tasmania- Performance requirements, reporting and payment summary | | | |
|---|---|---------------------------|-----------|
| Output (Project) | Performance milestones | Milestone submission date | Payment |
| TAS-01 – Derwent River monitoring and restoration | <p>Milestone 1 – <u>Project Commencement</u></p> <ul style="list-style-type: none"> Acceptance by the Commonwealth of evidence that demonstrates Agreement between Tasmania and the Derwent Estuary Program, Establishment of Project Governance Arrangements, and high level project costings breakdown. Acceptance by the Commonwealth of a Project Work Plan (as per Attachment 1) for the Project up to at least 30 September 2024. | 16 February 2024 | \$ 60,000 |
| | <p>Milestone 2 – <u>Project Status Report 1</u></p> <ul style="list-style-type: none"> Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period up to 30 June 2024. Acceptance by the Commonwealth of the Project Work Plan, updated as necessary, for works to be undertaken between 1 October 2024 to 30 September 2025. | 16 August 2024 | \$ 60,000 |
| | <p>Milestone 3 – <u>Project Status Report 2</u></p> <ul style="list-style-type: none"> Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 July 2024 to 31 December 2024. | 16 February 2025 | \$ 90,000 |
| | <p>Milestone 4 – <u>Project Status Report 3</u></p> <ul style="list-style-type: none"> Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 January 2025 to 30 June 2025. Acceptance by the Commonwealth of the Project Work Plan, updated as necessary, for works to be undertaken between 1 October 2025 to the end of the Project. | 16 August 2025 | \$ 80,000 |

| Output (Project) | Performance milestones | Milestone submission date | Payment |
|---|--|---------------------------|------------|
| TAS-01 (cont.) | Milestone 5 – <u>Project Status Report 4</u> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of a Project Status Report/s (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 July 2025 to 31 December 2025. | 16 February 2026 | \$ 90,000 |
| | Milestone 6 – <u>Project Status Report 5</u> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 January 2026 to 30 June 2026. | 16 August 2026 | \$ 80,000 |
| | Milestone 7 – <u>Final Project Report</u> <ul style="list-style-type: none"> • Project completion and acceptance by the Commonwealth of a Final Project Report as a stand-alone document that demonstrates all Project outcomes (for both on-ground and communication/education activities), benefits for the environment and community and which provides a synthesis of lessons learned. | 16 December 2026 | \$ 40,000 |
| TAS-02 – Tamar Estuary Management Taskforce Trial Wetland Restoration Project – North Esk River | Milestone 1 – <u>Project Commencement</u> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of evidence that demonstrates: <ul style="list-style-type: none"> ○ the broad nature of the Project partnership arrangements, and satisfaction of initial conditions of funding approval. ○ initial communications and stakeholder engagement plan for the Project, that outlines plans for early engagement with NRM North, Launceston City Council and Tamar Estuary Management Taskforce and relevant First Nations stakeholders. • Acceptance by the Commonwealth of an initial Project Work Plan (as per Attachment 1) for the Project up to at least 31 October 2024, and which details the timeline for technical design and robust costings for the Project. | 16 February 2024 | \$ 150,000 |

| Output (Project) | Performance milestones | Milestone submission date | Payment |
|------------------|---|---------------------------|------------|
| TAS-02 (cont.) | <p>Milestone 2 – <u>Early Planning and Project Status Report 1</u></p> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of evidence that demonstrates Agreement between Tasmania and NRM North, Establishment of Project Governance Arrangements, high level project costings breakdown and satisfaction of any remaining conditions of funding approval. • Acceptance by the Commonwealth of: <ul style="list-style-type: none"> ○ desktop review and data analysis to support the development of a trial wetland restoration project; ○ establishment of an ecosystem baseline inventory and monitoring plan; ○ draft ecological restoration framework is agreed under the Project Governance Arrangements. ○ evidence of procurement for the spatial analysis and mapping of existing formal/informal levees. • Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the initial Project Work Plan for the period up to 31 March 2024. | 16 May 2024 | \$ 350,000 |
| | COMMONWEALTH HOLD POINT (as per Attachment 2). | | |
| | <p>Milestone 3 – <u>Project Status Report 2</u></p> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 April 2024 to 30 June 2024. • Acceptance by the Commonwealth of the Project Work Plan, updated as necessary, for works to be undertaken between 1 November 2024 to 31 October 2025. | 16 August 2024 | \$ 300,000 |

| Output (Project) | Performance milestones | Milestone submission date | Payment |
|------------------|--|---------------------------|--------------|
| TAS-02 (cont.) | Milestone 4 – <u>Project Status Report 3</u> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 July 2024 to 31 December 2024. • Acceptance by the Commonwealth of a wetlands restoration options analysis. | 16 February 2025 | \$ 700,000 |
| | COMMONWEALTH HOLD POINT (as per Attachment 2). | | |
| | Milestone 5 – <u>Project Status Report 4</u> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 January 2025 to 30 June 2025. • Acceptance by the Commonwealth of the Project Work Plan, updated as necessary, for works to be undertaken between 1 November 2025 to 31 October 2026. | 16 August 2025 | \$ 1,000,000 |
| | Milestone 6 – <u>Project Status Report 5</u> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 July 2025 to 31 December 2025. | 16 February 2026 | \$ 1,100,000 |
| | Milestone 7 – <u>Project Status Report 6</u> <ul style="list-style-type: none"> • Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 January 2026 to 30 June 2026. • Acceptance by the Commonwealth of the Project Work Plan, updated as necessary, for works to be undertaken between 1 November 2026 to 31 October 2027. | 16 August 2026 | \$ 1,000,000 |

| Output (Project) | Performance milestones | Milestone submission date | Payment |
|------------------|---|---------------------------|--------------|
| TAS-02 (cont.) | Milestone 8 – <u>Project Status Report 7</u> <ul style="list-style-type: none"> Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 July 2026 to 31 December 2026. | 16 February 2027 | \$ 1,100,000 |
| | Milestone 9 – <u>Project Status Report 8</u> <ul style="list-style-type: none"> Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 January 2027 to 30 June 2027. Acceptance by the Commonwealth of the Project Work Plan, updated as necessary, for works to be undertaken between 1 November 2027 to the end of Project. | 16 August 2027 | \$ 1,000,000 |
| | Milestone 10 – <u>Project Status Report 9</u> <ul style="list-style-type: none"> Acceptance by the Commonwealth of a Project Status Report (or appropriate documentation as evidence) to demonstrate satisfactory progress against the Project Work Plan for the period 1 July 2027 to 31 December 2027. | 16 February 2028 | \$ 1,000,000 |
| | Milestone 11 – <u>Final Project Report</u> <ul style="list-style-type: none"> Project completion and acceptance by the Commonwealth of a Final Project Report as a stand-alone document that demonstrates all Project outcomes (for both on-ground and communication/education activities), benefits for the environment and community and which provides a synthesis of lessons learned. | 16 May 2028 | \$ 300,000 |