

Schedule D

Stage 1 Funding for the Enhanced Environmental Water Delivery Supply Measure

PROJECT AGREEMENT FOR STAGE 1 FUNDING FOR SUSTAINABLE DIVERSION LIMITS (SDL) ADJUSTMENT SUPPLY AND CONSTRAINTS MEASURES IN THE MURRAY-DARLING BASIN

1. This Schedule has been developed in accordance with Clause 18 of the Project Agreement for Stage 1 Funding for Sustainable Diversion Limits (SDL) Adjustment Supply and Constraints Measures in the Murray-Darling Basin [the Agreement].
2. The objective of the Enhanced Environmental Water Delivery (EEWD) Project is to develop a multi-year framework for environmental water planning across the Southern Connected Basin, using both new and existing tools and systems. This project is an opportunity to identify and address long-standing issues relating to environmental water coordination and delivery.
3. The EEWD Project has been put forward jointly by New South Wales, Victoria, and South Australia (the States) as part of the package of Sustainable Diversion Limits (SDL) adjustment projects agreed by the Murray-Darling Basin Ministerial Council in June 2017.
4. Given the technical nature and expertise required for this project, the States have agreed to engage the Murray-Darling Basin Authority (MDBA) to deliver specified project activities set out in this Schedule on the States' behalf. The States are jointly responsible for all outputs under this Schedule. Both the Commonwealth and the States will also enter into separate but linked Memoranda of Understanding (MoU) with the MDBA to support that work (respectively, the Commonwealth-MDBA MOU and the States-MDBA MOU).
5. The States will provide the Commonwealth with a copy of the signed States-MDBA MoU, and any variations as soon as practicable after execution by all parties.
6. For the purposes of this Schedule D:

Agreement Material means any material, works or Data (including Intellectual Property Rights) created by or on behalf of the MDBA in accordance with the States-MDBA MOU.

Background Material means material, works or Data (including Intellectual Property Rights) that a State or the Commonwealth makes available under the States-MDBA MOU.

'Intellectual Property Rights' means all intellectual property rights which may subsist in Australia or elsewhere, whether or not they are registered or capable of being registered.

Data means all data, information, text, drawings, statistics, analysis and other materials embodied in any form which is:

- (a) supplied by or on behalf of a party in connection with this Schedule (**Input Data**); or
- (b) generated, placed, stored, processed, retrieved, printed, accessed or produced utilising the Input Data or the Agreement Materials.

7. The Intellectual Property Rights in the Agreement Material will vest with the States.
8. The States grant to the Commonwealth a permanent, non-exclusive, irrevocable, royalty-free licence (including the right to sublicense) to use, reproduce, modify and communicate the Agreement Material for the purpose of Stage 1A of the EEWD Project. Any sublicense granted must be on the same terms and conditions of this licence.
9. Clause 7 does not affect the Intellectual Property Rights in any existing Background Material.
10. Each State grants the Commonwealth a permanent, non-exclusive, irrevocable, royalty-free licence (including the right to sublicense) to use, reproduce, modify and communicate its Background Material, for the purpose of Stage 1A of the EEWD Project and no other purpose, without the relevant State's prior written approval. Any sublicense granted must be on the same terms and conditions of this licence.
11. The Commonwealth grants to each of the States a permanent, non-exclusive, irrevocable, royalty-free licence (including the right to sublicense) to use, reproduce, modify and communicate its Background Material for the purpose of Stage 1A of the EEWD Project, and for no other purposes without the Commonwealth's prior written approval. Any sublicense granted must be on the same terms and conditions of this licence.
12. Each party will provide or procure in another party's favour appropriate written consents and assignments (including by entering agreements with third parties), which:
 - a) but for the consent would be an infringement of a person's moral rights; and
 - b) are reasonably necessary of the other party to obtain the full benefit of its rights as set out in clauses 8 (Agreement Material), 10 and 11 (Background Material).
13. The Commonwealth and the States anticipate agreeing to continue to make Background Material and Agreement Material available for Stage 1B and Stage 2 of the EEWD Project, if and when those stages proceed. The parties may record their agreement in additional schedules for those stages.
14. The parties acknowledge that:
 - a) the States will each continue to develop, modify and enhance their respective Background Material independently of the EEWD Project;

- b) continued cooperation, and advice and input from the State that provided the Background Material serves to maintain, realise and enhance its value, including its use by third parties and for purposes other than Stage 1A; and
 - c) this includes quality-assurance, consistency, currency, interpretation, appropriate application, and helping to ensure objectives are informed by the best available information.
15. A party may request approval under clause 10 or 11 in writing from the party that owns the Background Material. The party that owns the Background Material will consider the request in good faith, including appropriate terms for making the Background Material available.
 16. The parties may also enter into separate arrangements for appropriate terms for accessing, using and handling Background Material, and other Intellectual Property Rights and material, which they will negotiate in good faith.
 17. Each party commits to engaging in good faith regarding another party's proposal to use the Agreement Materials for a purpose other than Stage 1A of the EEWD Project, provided that the proposal is made when the capabilities and requirements of the tools and systems envisaged by the EEWD Project are sufficiently developed.
 18. This Schedule will commence as soon as it is agreed between the Commonwealth and the States, which will be on the date the last party executes this Schedule, and will expire on 30 June 2022, or on completion of the agreed measure, including final performance reporting and processing of final payments against milestones.
 19. The Commonwealth will provide an estimated total financial contribution to the States (including any payments the Commonwealth may make directly to the MDBA on behalf of the States) of up to \$5.442 million in respect of this Schedule as shown in Table 1. All payments are GST exclusive.
 20. The Commonwealth will make payments to the States on the provision and acceptance of evidence that the milestone has been met. If some or all of each milestone payment is to be paid to the MDBA for the delivery of the specific project activities outlined in the relevant milestone, the Commonwealth, on behalf of the States and upon a written request from the States, will make a payment to the MDBA to fully discharge the States' associated payment as specified under Table 2 with the MDBA with respect to that milestone.
 21. Table 1 outlines the notional maximum amounts the States anticipate to provide to the MDBA based on the MDBA's actual expenditure. These amounts are additional to the maximum funding amounts the Commonwealth anticipates to pay directly to the States based on the States' actual expenditure.

Table 1: Estimated financial contributions

| (\$ million) | 2020-21 | 2021-22 | Total |
|---|----------------|----------------|----------------|
| Estimated total budget | \$1.884 | \$3.558 | \$5.442 |
| Less estimated National Partnership Payments | \$0.452 | \$1.144 | \$1.596 |
| New South Wales | \$0.164 | \$0.413 | \$0.578 |
| Victoria | \$0.154 | \$0.393 | \$0.546 |
| South Australia | \$0.134 | \$0.338 | \$0.473 |
| <i>Anticipated total Commonwealth project payments direct to MDBA on behalf of the States</i> | \$1.432 | \$2.414 | \$3.846 |
| Balance of non-Commonwealth contributions | 0 | 0 | 0 |

22. The States, who have engaged the MDBA to undertake project activities on the States' behalf, will collectively deliver the Stage 1A activities or outputs.
23. Workstreams 1-4 will be undertaken and/or co-ordinated by the MDBA project team.
24. Workstream 5 will be the responsibility of the States, however, the parties note that the Commonwealth has a role in documenting its intellectual property and data sharing arrangements and protocols as described in clause 26.e)i.
25. The basis for costings for the states' resources (Table 1) is 1.0 Full Time Equivalent (FTE) for state based project coordination, 0.5 FTE for modelling support and an estimate of FTE and third party costs to deliver Workstream 5.
26. The Stage 1A activities or outputs to be delivered jointly by the States are outlined below:
 - a) WORKSTREAM 1 - Establishment of project governance and implementation arrangements. The activities to be delivered include:
 - i. Establishment of project governance arrangements and project team;
 - ii. Engagement of consultant(s) to assist in project establishment and procurement; and
 - iii. Completion of a project plan and risk assessment to guide the delivery of Stage 1A activities and outputs.
 - b) WORKSTREAM 2 - Stakeholder and community engagement and communication activities, including:
 - i. A key stakeholder engagement and communication strategy for Stage 1A, to guide engagement with key stakeholders (e.g. environmental water holders, MDBA, river operators) and to describe opportunities for project co-design;

- ii. A community engagement and communication strategy for Stage 1A to guide provision of information to a range of local communities, indigenous nations, private businesses and public agencies; and
 - iii. A communications and engagement strategy for key stakeholders and community for Stages 1B and 2. The engagement strategy for key stakeholders will describe opportunities for project co-design and collaboration, whilst the strategy for community will describe how they will be involved in and informed on the further development of the project.
- c) WORKSTREAM 3 - Project implementation plan activities, including:
- i. Review and refinement of project scope through workshops with key stakeholders;
 - ii. Development of detailed risk assessments for Stages 1B and 2; and
 - iii. Development of project implementation plan for Stages 1B and 2, including the Stage 1B implementation proposals.
- d) WORKSTREAM 4 - Investigations, analysis, modelling, and data and information collection to inform project planning and implementation, including:
- i. Scoping reports on water management strategy development (Measure 1);
 - ii. Scoping reports on required environmental watering delivery administration and coordination processes (Measure 2);
 - iii. Scoping reports on required water accounting system (Measure 3);
 - iv. Scoping report on decision framework (Measure 4); and
 - v. Development of a monitoring and evaluation plan (Measure 5).
- e) WORKSTREAM 5 (measure 2) – Documented intellectual property and data sharing arrangements and protocols for modelling and other data resources including:
- i. Clearly documented intellectual property and data sharing arrangements and protocols for each State, MDBA and Commonwealth model or data resource that may be utilised or drawn on by the EEWD project, including any restrictions on access or licensing associated with those models or data resources;
 - ii. EEWD Steering Committee agreement on intellectual property and data sharing arrangements and protocols for modelling and other data resources; or
 - iii. If there is no agreement from the EEWD Steering Committee on those arrangements and protocols, then a report identifying a clear pathway to resolve outstanding issues for the purpose of reaching agreement.
27. Consistent with the requirements under the Agreement, the States will provide a single report on the progress of the measure for each milestone in Table 2. If a report referred to in Table 2

indicates that the States have not met the relevant milestone, the States may submit a later report demonstrating that the relevant milestone has been met, for the purposes of clause 21 of the Agreement. In addition to the reporting specified in the Agreement, the report to be provided by the States must also include:

- a) Stage 1A Activities Status Update outlining activities completed in the current reporting period that progress achievement of subsequent milestones, including details of any costs incurred in completing the activities, consistent with clause 29 of the Agreement; and
- b) Updates on resolving the issues identified in the assessment of the Enhanced Environmental Water Delivery business case for the SDL adjustment mechanism and reflected in the post-Phase 2 assessment issues register.

28. In accordance with clause 21 of the Agreement, the milestones for the measure, the outputs produced under the milestones, relevant reporting dates and the maximum expected payments to be made to the States and the MDBA are set out in Table 2.

Table 2: Enhanced Environmental Water Delivery Measure milestone, outputs, reporting and payment summary

| Milestone | Outputs | Reporting period | Report due | Payment breakdown (up to) |
|-----------|--|----------------------|------------|--|
| 1 | <p>WORKSTREAM 1 - Project management, governance and reporting arrangements</p> <ul style="list-style-type: none"> • Progress to establishing project governance arrangements and project team • Completion of Stage 1A project plan • Completion of Stage 1A Activities Status Report one in line with Stage 1A project plan | 2/3/2020-31/12/2020 | 15/02/2021 | <p>NSW \$78,959 VIC \$71,500 SA \$64,474 MDBA \$866,086</p> |
| 2 | <p>WORKSTREAM 1 - Project management, governance and reporting arrangements</p> <ul style="list-style-type: none"> • Project governance arrangements and project team established in line with the Stage 1A project plan • Completion of Stage 1A Activities Status Report two in line with Stage 1A project plan <p>WORKSTREAM 2 - Community and stakeholder engagement</p> | 1/01/2021-31/03/2021 | 30/04/2021 | <p>NSW \$85,521 VIC \$82,040 SA \$70,003 MDBA \$566,086</p> |

| Milestone | Outputs | Reporting period | Report due | Payment breakdown (up to) |
|-----------|--|------------------|------------|---------------------------|
| | <ul style="list-style-type: none"> • Progress to developing stakeholder engagement plan and community engagement plan for Stage 1A in line with the Stage 1A project plan • Completion of stakeholder and community engagement progress report one <p>WORKSTREAM 3 - Project implementation plan</p> <ul style="list-style-type: none"> • Progress towards completing Stage 1B - and 2 project implementation plan in line with the Stage 1 A project plan • Completion of project implementation plan progress report one <p>WORKSTREAM 4 - Investigations, analysis, modelling, and data and information collection to inform project planning and implementation</p> <ul style="list-style-type: none"> • Progress (in line with the Stage 1A project plan) towards completing scoping reports on <ul style="list-style-type: none"> - water management strategy development (Measure 1) - required environmental water delivery administration/coordination processes (Measure 2) - required water accounting system (Measure 3) - framework needed for Enhanced Environmental Water Delivery (EEWD) decisions (measure 4) • Progress towards the completion of a monitoring and evaluation plan (Measure 5) in line with the Stage 1A project plan • Completion of Workstream 4 progress report one | | | |

| Milestone | Outputs | Reporting period | Report due | Payment breakdown (up to) |
|-----------|--|----------------------|------------|--|
| | <p>WORKSTREAM 5 - Documented intellectual property and data sharing arrangements and protocols for modelling and other data resources</p> <ul style="list-style-type: none"> • Report from the EEWD Steering Committee detailing: • Current IP and data sharing arrangements and protocols for each State, MDBA and Commonwealth model and data resource that may be utilised or drawn on by the EEWD project, clearly documented, including any restrictions on access or licensing • Concerns and issues of each party relating to those arrangements and protocols | | | |
| 3 | <p>WORKSTREAM 1 - Project management, governance and reporting arrangements</p> <ul style="list-style-type: none"> • Completion of Stage 1A Activities Status Report three in line with the Stage 1A project plan <p>WORKSTREAM 2 - Community and stakeholder engagement</p> <ul style="list-style-type: none"> • Draft stakeholder engagement plan and community engagement plan for Stage 1A in line with the Stage 1A project plan • Completion of stakeholder and community engagement progress report two <p>WORKSTREAM 3 - Project implementation plan</p> <ul style="list-style-type: none"> • Draft Stage 1B and 2 project implementation plan in line with the Stage 1A project plan • Completion of project implementation plan progress report two | 1/04/2021-30/09/2021 | 16/11/2021 | <p>NSW \$157,918 VIC \$143,000 SA \$128,948 MDBA \$1,132,172</p> |

| Milestone | Outputs | Reporting period | Report due | Payment breakdown (up to) |
|-----------|---|----------------------|------------|--|
| | <p>WORKSTREAM 4 - Investigations, analysis, modelling, and data and information collection to inform project planning and implementation</p> <ul style="list-style-type: none"> • Draft scoping reports (in line with the stage 1A project plan) on: <ul style="list-style-type: none"> - water management strategy development (Measure 1) - required environmental water delivery administration/coordination processes (Measure 2) - required water accounting system (Measure 3) - framework needed for EEWD decisions (measure 4) • Draft monitoring and evaluation plan (Measure 5) in line with the Stage 1A project plan • Completion of Workstream 4 progress report two | | | |
| 4 | <p>WORKSTREAM 1 - Project management, governance and reporting arrangements</p> <ul style="list-style-type: none"> • Completion of Stage 1A Activities Status Report four in line with Stage 1A project plan <p>WORKSTREAM 2 - Community and stakeholder engagement</p> <ul style="list-style-type: none"> • Completion of stakeholder and community engagement plan for Stages 1B and 2 • Completion of stakeholder and community engagement progress report three <p>WORKSTREAM 3 - Project implementation plan</p> <ul style="list-style-type: none"> • Completion of Stage 1B and 2 project implementation plan • Completion of Stage 1B – implementation proposals | 1/10/2021-31/03/2022 | 29/04/2022 | <p>NSW \$255,230 VIC \$249,510 SA \$209,090 MDBA \$1,281,849</p> |

| Milestone | Outputs | Reporting period | Report due | Payment breakdown (up to) |
|-----------|--|------------------|------------|---------------------------|
| | <ul style="list-style-type: none"> • Completion of project implementation plan progress report three <p>WORKSTREAM 4 - Investigations, analysis, modelling, and data and information collection to inform project planning and implementation</p> <ul style="list-style-type: none"> • Completion of scoping reports on: <ul style="list-style-type: none"> - water management strategy development (Measure 1) - on required environmental water delivery administration/coordination processes (Measure 2) - required water accounting system (Measure 3) - framework needed for EEWD decisions (measure 4) • Completion of monitoring and evaluation plan (Measure 5) • Completion of Workstream 4 progress report three <p>WORKSTREAM 5 – Documented intellectual property and data sharing arrangements and protocols for modelling and other data resources</p> <ul style="list-style-type: none"> • EEWD Steering Committee agreement on intellectual property and data sharing arrangements and protocols for modelling and other data resources • If there is no agreement from the EEWD Steering Committee on those arrangements and protocols, then a report identifying a clear pathway to resolve outstanding issues | | | |

29. Funds will be paid against actual expenditure incurred by the States, including the MDBA costs as service provider for the achievement of outputs under project milestones. Payments may also include amounts for costs incurred on activities completed in the current period that

progress achievement of subsequent milestones. Each state will be paid separately by the Commonwealth for their share of the actual expenditure incurred.

30. Expenditure on activities under this Schedule incurred by the States and the MDBA from 2 March 2020 will be eligible for consideration for payment under milestones in this Schedule.
31. If the actual expenditure for a particular milestone is less than the payment amount for that same milestone, the residual amount (being the difference between the actual expenditure and the payment amount) will remain available under this Schedule to meet any necessary reasonable additional costs for activities under the Schedule subject to clauses 26 to 30 of this Schedule.
32. The Commonwealth may agree to a request from the States to transfer a residual amount, or part thereof, to a subsequent milestone in this Schedule.
33. A request from the States to transfer a residual amount to a milestone falling within the same financial year may be agreed to by the Commonwealth portfolio minister. Such transfers may be agreed in writing and take place without a variation to the Schedule.
34. The Commonwealth portfolio minister may delegate the agreement of transfers of residual amounts within the same financial year to senior Commonwealth officials, having regard to the financial and policy risks associated with the transfers.
35. A request from the States to transfer a residual amount to increase a milestone amount in a later financial year may be agreed in writing by the relevant Commonwealth and relevant State portfolio ministers in accordance with clause 35 of the Agreement.
36. States will provide a reconciliation of any residual amounts that have been transferred to subsequent milestones as part of reports required in accordance with clause 23 of the Agreement.
37. This Schedule may be signed in counterparts. All executed counterparts constitute one document.

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 Keith Pitt MP

Minister for Resources, Water and Northern Australia

[Day] [Month] [Year]

26 / 2 / 21.

Signed for and on behalf of the State of South Australia by

The Honourable David Speirs MP

Minister for Environment and Water

[Day] [Month] [Year]

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

The Honourable Melinda Pavey MP

Minister for Water

[Day] [Month] [Year]

Signed for and on behalf of the State of Victoria by

The Honourable Lisa Neville MP
Minister for Water

[Day] [Month] [Year]

SIGN OFF

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The Honourable Keith Pitt MP
Minister for Resources, Water and Northern Australia

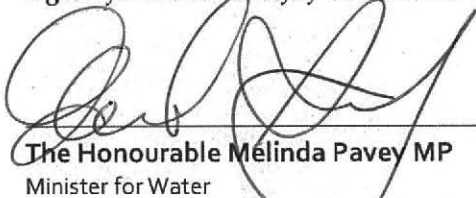
[Day] [Month] [Year]

Signed for and on behalf of the State of South Australia by

The Honourable David Speirs MP
Minister for Environment and Water

[Day] [Month] [Year]

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



The Honourable Melinda Pavey MP
Minister for Water

22 01 2021
[Day] [Month] [Year]

SIGN OFF

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Signed for and on behalf of the Commonwealth of Australia by

The Honourable Keith Pitt MP

Minister for Resources, Water and Northern Australia

[Day] [Month] [Year]

Signed for and on behalf of the State of South Australia by



The Honourable David Speirs MP

Minister for Environment and Water

21 12 2020
[Day] [Month] [Year]

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

The Honourable Melinda Pavey MP

Minister for Water

[Day] [Month] [Year]

Signed for and on behalf of the State of Victoria by



A handwritten signature in black ink, appearing to read 'Lisa Neville', written over a horizontal line.

The Honourable Lisa Neville MP
Minister for Water

11 6 12
[Day] [Month] [Year]