

Toolkit - New South Wales – Reconnecting Watercourse Country Program

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth New South Wales
Duration	This Schedule is expected to expire on 31 December 2026, or upon completion of all agreed measures including final progress reporting.
Purpose	<p>This Schedule will support the delivery of three New South Wales projects in the Gwydir Valley that have been approved for implementation, as part of the Murray-Darling Basin Plan Northern Basin Toolkit Measures (Toolkit):</p> <ul style="list-style-type: none"> • Gingham watercourse • Lower Gwydir watercourse • Lower Mehi River. <p>The projects aim to improve the efficiency and effectiveness of environmental water delivery within the Gwydir floodplain to achieve enduring environmental outcomes for wetlands, riparian vegetation and associated dependent biota.</p> <p>Commonwealth funding will be provided to New South Wales to support implementation of program activities to achieve outcomes under the Gwydir Constraints measure of the Northern Basin Toolkit.</p>

<p>Estimated financial contributions</p>	<p>The Commonwealth will provide an estimated total financial contribution to New South Wales of up to \$37.679m in respect of this Schedule.</p> <table border="1" data-bbox="448 421 1364 840"> <caption>Table 1</caption> <thead> <tr> <th>(\$ million)</th> <th>2022-23</th> <th>2023-24</th> <th>2024-25</th> <th>2025-26</th> <th>2026-27</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>\$9.0</td> <td>\$0.58</td> <td>\$8.0</td> <td>\$18.00</td> <td>\$3.679</td> <td>\$39.259</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td><i>\$8.0</i></td> <td><i>\$0</i></td> <td><i>\$8.0</i></td> <td><i>\$18.00</i></td> <td><i>\$3.679</i></td> <td><i>\$37.679</i></td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>\$1.0</td> <td>\$0.58</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$1.58</td> </tr> </tbody> </table>	(\$ million)	2022-23	2023-24	2024-25	2025-26	2026-27	Total	Estimated total budget	\$9.0	\$0.58	\$8.0	\$18.00	\$3.679	\$39.259	<i>Less estimated National Partnership Payments</i>	<i>\$8.0</i>	<i>\$0</i>	<i>\$8.0</i>	<i>\$18.00</i>	<i>\$3.679</i>	<i>\$37.679</i>	Balance of non-Commonwealth contributions	\$1.0	\$0.58	\$0	\$0	\$0	\$1.58
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<p>Additional terms</p>	<ol style="list-style-type: none"> 1. To reflect the funding arrangements for the Projects, a governance structure, comprising Commonwealth and New South Wales government officials, will monitor and provide strategic direction for the implementation of the Toolkit measures in New South Wales, and oversee delivery of specified activities and requirements for each of the projects under this Schedule. 2. New South Wales will notify the Commonwealth should any matters arise that would inhibit completion and timely delivery of the Project as soon as the state becomes aware of these matters. 3. New South Wales will meet regularly with the Commonwealth and provide monthly written updates on project progress and potential issues. 4. All approved Toolkit projects are designed where possible to employ local and First Nations people, source local goods and improve environmental outcomes in the northern Basin. 5. Any assets being constructed or modified by New South Wales as part of these Projects 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 these Projects. 																												

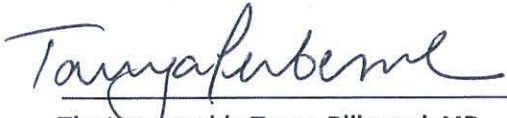
Table 2: Performance requirements, reporting and payment summary			
Output	Performance milestones	Report due	Payment
1. Project Status Report for the period 1 January 2022 to 31 August 2022	Acceptance by Commonwealth officials of a Project Status Report for the period 1 January 2022 to 31 August 2022 which addresses the reporting items set out at Attachment A.	Within 10 business days of executing this Schedule.	\$4.5m Paid
2. Annual Workplan 1	Acceptance by Commonwealth officials of an Annual Workplan (as per Attachment A) for reporting period 1 July 2022 to 30 June 2023.	Complete	
3. Project Status Report 1	Acceptance by Commonwealth officials of a Project Status Report showing progress against the 2022-23 Annual Workplan for the period 1 July 2022 to 31 December 2022 which addresses the reporting items set out at Attachment A.	15/01/2023 Complete	\$3.5m Paid
4. Project Status Report for the period 1 January 2023 to 31 December 2023	Acceptance by Commonwealth officials of a Project Status Report for the period 1 January 2023 to 31 December 2023 that includes evidence of: <ul style="list-style-type: none"> - progress with stakeholder engagement activities including the establishment of Landholder Focus Groups - progress with First Nations engagements and program activities, including establishment of the Gwydir First Nations Environmental Water group - progress with monitoring and evaluation activities, including finalisation of Windella and Crinolyn Ramsar Wetland ecological surveys and completion of bathymetry capture in the Lower Gwydir and Gingham Watercourses 	30/09/2024	\$5m
5. Planning, authorising and early works identification phase	Acceptance by Commonwealth officials of a report that demonstrates progress against the Interim Annual Workplan as per Attachment B, including: <ul style="list-style-type: none"> - Completion of the Technical Options Assessment to address flow constraint issues in the Gingham watercourse associated with the Gwydir raft - Completion of an assessment of Mallowa and Ballin Boora as potential subprojects under the lower Mehi River project. <ul style="list-style-type: none"> o Review of scoping studies o Evaluation of key activities, resourcing and timeframes required to progress to codesign phase - First Nations program activities progressed, including: <ul style="list-style-type: none"> o Terms of Reference developed for the Gwydir First Nations Environmental Water Group 	28/02/2025	\$2m

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	<ul style="list-style-type: none"> o Identification of activities to be completed by the Group under the program 		
6. Preferred option proposal	<p>Acceptance by Commonwealth officials of a high-level Project Execution Plan that details NSW's preferred implementation option based on key elements affecting the delivery of program outcomes, including:</p> <ul style="list-style-type: none"> - authorising environment for NSW river operators to enable higher environmental flow releases - flow constraint issues in the Gingham watercourse associated with the Gwydir raft 	28/04/ 2025	\$1m
<p>Hold-point review: Once milestone 6 is submitted to the Commonwealth, the Commonwealth will review NSW's preferred option proposal, including the high-level Project Execution Plan and all other information provided to date under this schedule. Subject to Commonwealth and NSW agreement on implementation, milestones for full program delivery to December 2026 will be negotiated under a variation to this Schedule.</p>			<p>Remaining funds to be allocated: \$21.679m</p>
Total Commonwealth contribution			\$37.679m

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

[Day] [Month] 2024

24 9

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



The Honourable Penny Sharpe MLC
Minister for the Environment

[Day] [Month] 2024

1/11/24

ATTACHMENT A – Annual Workplan Requirements

An annual workplan covering the Gingham watercourse, Lower Gwydir watercourse and lower Mehi River projects will be accepted if it addresses the following to the Commonwealth's satisfaction:

1. Project management documentation, including:
 - I. Project Execution Plans inclusive of:
 - i. Key deliverables for each project
 - ii. Project performance and resourcing including delivery schedule
 - iii. Project costings estimates and forecasts including brief commentary on the derivation of costings data
 - iv. Quality management and assurance
 - v. Risks and issues register - inclusive of risks that have materialised as issues and mitigation strategies for identified risks and issues to successful delivery against the agreed outcomes by 31 December 2026
 - vi. Communication and stakeholder engagement planning for the life of the Project
 - vii. Governance arrangements
 - viii. Progress on contributing to any necessary regulatory approvals.

ATTACHMENT B – Interim Annual Workplan

An interim annual workplan covering the Gingham watercourse, Lower Gwydir watercourse and lower Mehi River sites for the period 1 July 2024 to 28 February 2025 is provided below.

Theme	Activity
Technical Options Assessment	Completion of: Technical Options Assessment to address flow constraint issues in the Gingham watercourse associated with the Gwydir raft
Lower Mehi River sub project assessments	Completion of: Mallowa and Ballin Boora assessment as potential subprojects under the lower Mehi River project <ul style="list-style-type: none"> - Review of scoping studies - Evaluation of key activities, resourcing and timeframes required to progress to codesign phase
First Nations program	Progression of: Terms of Reference developed for the Gwydir First Nations Environmental Water Group Identification of activities to be completed under the program
Contributions to NSW strategies and identified measures to address River Operator Liability	Progression of: Landholder Negotiation Scheme Legislative amendments River Operator Steering Committee Planning approval pathway – e.g. Part 5 NSW EP&A Act
Ecological Monitoring and Evaluation	Completion of: Water and weather monitoring equipment purchased and installation plan developed Fish habitat surveys and mapping of the lower Mehi River Fish baseline monitoring surveys and reporting for the Lower Gwydir, Gingham, and lower Mehi River Marsh Club-rush drone surveys, imagery processed and mapping completed
Measures and Negotiation	Completion of: Identification of early works packages Draft Land Register Penultimate Easement Terms

	<p>Draft compensation methodology</p> <p>Foundational Authorising Strategy</p> <p>Commencement of:</p> <p>Implementation of the Authorising Strategy</p> <p>Audit of in stream works licensing status</p>
Stakeholder Engagement	<p>Completion of:</p> <p>Landholder engagement and codesign progressed - Ground truthing activities in the Gingham and lower Gwydir watercourses</p> <p>Monitoring, Evaluation, Reporting and Improvement framework developed</p> <p>Community events held</p>
Hydraulic modelling	<p>Completion of:</p> <p>TUFLOW hydraulic model finalized, including independent review</p> <p>Target flow rate modelled to map inundation extent</p> <p>Hydroline data mapped to inform future processes</p>
Program management	<p>Completion of:</p> <p>Establish a new environmental water operations governance working group</p> <p>RDMS finalised - ArcGIS integration, agreement process, co-design and negotiation tools</p> <p>Existing works licensing and approval status and reporting process formalized</p>