

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	This Schedule will support the delivery of the Reconnecting Watercourse Country (RWC) program, made up 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): • Gingham watercourse • Lower Gwydir watercourse • Lower Mehi River. The RWC program aims 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. 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.						
Estimated financial contributions	Table 1 (\$ million)	2022-23	2023-24	2024-25	2025-26	2026-27	Total
	Estimated total budget	9.000	0.580	8.000	8.000	13.679	39.259
	<i>Less estimated National Partnership Payments</i>	8.000	0.000	8.000	8.000	13.679	37.679
	Balance of non-Australian Government contributions	1.000	0.580	0.000	0.000	0.000	1.580
	The Commonwealth will provide an estimated total financial contribution to New South Wales of up to \$37.679m (GST exclusive) in respect of this Schedule.						
Asset Ownership	Any assets being constructed or modified as part of the program must have asset ownership arrangements or pathways in place.						

	The Commonwealth will not acquire any assets nor accept liability for operations, maintenance or recurrent costs from works undertaken or associated with the program.
Governance Arrangements	To reflect the funding arrangement for the program, a governance structure, comprising Commonwealth and New South Wales government officials, will monitor and provide strategic direction for the implementation of the program, and oversee delivery of specified activities and requirements for each of the projects under this Schedule. New South Wales will meet regularly with the Commonwealth and provide monthly written updates on project progress and potential issues, including any matters that arise which could inhibit completion and timely delivery of the program.
Recognition of funding	In addition to the requirements set out in clause 21 of the FFA-Environment, New South Wales agrees to: a) Acknowledge Commonwealth funding in all publications, promotional materials, signage, announcements and activities in relation to the program. b) Ensure the Commonwealth is consulted prior to the release of all material relating to works under this Schedule. c) Provide the Commonwealth with equal access to products obtained under this Schedule for the use in the development of promotional material, including but not limited to program data, footage and images; and d) Provide opportunities for Commonwealth involvement in announcements and launch events relating to the Project.
Additional terms	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. NSW will address all relevant reporting requirements as outlined in Appendix A to this schedule in milestone submissions.

Output	Performance milestones	Report date	Payment
1. Project Status Report for the period 1 January 2022 to 31 August 2022 2. Annual Workplan	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 . Acceptance by Commonwealth officials of an Annual Workplan (as per Attachment A) for reporting period 1 July 2022 to 30 June 2023.	Within 10 business days of executing this Schedule. Complete	\$4.5m Paid
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: • 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 Complete	\$5m Paid
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: • 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. ○ Review of scoping studies ○ Evaluation of key activities, resourcing and timeframes required to progress to codesign phase • First Nations program activities progressed, including: ○ Terms of Reference developed for the Gwydir First Nations Environmental Water Group ○ Identification of activities to be completed by the Group under the program	28/02/2025 Complete	\$2m Paid
6. Preferred option proposal	Acceptance by Commonwealth officials of a high-level Project Execution Plan that details NSW's preferred implementation	28/04/2025	\$1m

	option based on key elements affecting the delivery of program outcomes, including: • authorising environment for NSW river operators to enable higher environmental flow releases • flow constraint issues in the Gingham watercourse associated with the Gwydir raft		
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 the Commonwealth and NSW agreement on implementation, milestones for full program delivery to December 2026 will be negotiated under a variation to this Schedule.			Remaining funds to be allocated: \$21.679m
2025 Variation			
7.	Acceptance by the Commonwealth of a progress report that demonstrates, with evidence, progress in line with the Project Execution Plan, including: - Completion of prioritisation framework for physical works - On-ground site surveys for physical works commenced - Project plan for short-term raft mitigation complete	Within 10 business days of executing this Schedule	\$3m
8.	Acceptance by the Commonwealth of a progress report that demonstrates, with evidence, progress in line with the Project Execution Plan, including: - Identification of all program activities, including physical works, and a breakdown of their costs - Executed contracts with landholders for at least 40% of all prioritised physical works - Procurement commenced for pre-construction and construction activities - On ground works commenced for short term raft mitigation	28/02/2026	\$5m
9.	Acceptance by the Commonwealth of a progress report that demonstrates, with evidence, progress in line with the Project Execution Plan, including: - Executed contracts with landholders for at least 80% of all prioritised physical works - Procurement complete for all program pre-construction and construction activities for at least 70% of project sites - Physical works underway at 60% of project sites - Authorising framework for long-term raft management complete	30/08/2026	\$8m
10.	Acceptance by the Commonwealth of a Final Report, with evidence that demonstrates 100% completion of all project activities as per the Project Execution Plan. This document must provide a synthesis of outcomes, learnings and future work required to achieve full constraints relaxation in the program area.	31/12/2026	\$5.679m
Total Commonwealth contribution			\$37.679 m

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

Signed *for and on behalf of the Australian
Government of Australia by*



Senator the Honourable Murray Watt
Minister for the Environment and Water

[Day] [Month] [Year]

4/9/25

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



The Honourable Penny Sharpe MLC
Minister for the Environment

[Day] [Month] [Year]

4/11/25

Milestone Reporting Requirements

Annual Work Plan

- Key deliverables for the program
- Project performance and resourcing including delivery schedule
- Project costings estimates and forecasts including brief commentary on the derivation of costings data
- Quality management and assurance
- Risks and issues register - inclusive of risks that have materialised as issues and mitigation strategies for identified risks and issues to successfully deliver against the agreed outcomes by 31 December 2026
- Monitoring, Engagement and Reporting planning for the life of the Project
- Communication and stakeholder engagement planning for the life of the Project
- Governance arrangements
- Progress on contributing to any necessary regulatory approvals

Progress Report

- A statement that demonstrates overall progress and updates each activity against the accepted Annual Work Plan supported by relevant evidence
- Identify if the outputs and deliverables are on track and if any remain outstanding. In the case of delays, report the reason for the delay and mitigation action in place
- Identify if there are any changes proposed or been made to the delivery of the project
- Stakeholder engagement summary and significant interactions including meetings with community group and First Nations groups and any key results
- Update on risks including any new or emerging risks to the delivery of the Project, and management of those risks

Final Report

- Outlining the extent to which all activities in the Project Execution Plan and Annual Work Plans have been delivered.
- Communication and stakeholder engagement summary and outcomes
- Synthesis of qualitative evaluation findings, achievements, and lessons learned
- Certified financial report for the Project