

Toolkit – New South Wales – Pindari Dam Cold-Water Pollution and Fish-Friendly Water Extraction Projects

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 on completion of the projects, project reporting and processing of final payments against milestones.
Purpose	This Schedule will support the delivery of the Pindari Dam Cold-Water Pollution (CWP) project and the Fish-Friendly Water Extraction (FFWE) project which have been approved for implementation, as part of the Murray-Darling Basin Plan Northern Basin Toolkit Measures (the Toolkit). The CWP project will mitigate the impacts of cold-water pollution downstream of Pindari Dam along 200 km of the Severn and MacIntyre rivers through the installation of a bubble plume destratification system and an offsite and onsite solar array and battery system to offset bubble plume carbon emissions. Funding for the FFWE project will extend and expand the project at the Barwon-Darling and Gwydir rivers to other northern Basin catchments by installing fish screens at priority diversion sites. Further details on the various activities to be completed during each project are outlined in Table 2A, 2B, & 2C.

Estimated financial contributions	The Commonwealth will provide an estimated total financial contribution to New South Wales of up to a maximum amount of \$52,784,198* (GST exclusive) in respect of this Schedule. <table><tr><td>Table 1 (\$ million)</td><td><i>2021-22</i></td><td><i>2022-23</i></td><td><i>2023-24</i></td><td><i>2024-25</i></td><td><i>2025-26</i></td><td><i>2026-27</i></td><td>Total</td></tr><tr><td>Estimated total budget</td><td><i>3.1</i></td><td><i>2.0</i></td><td><i>15.6</i></td><td><i>18.8</i></td><td><i>14.7</i></td><td><i>4.0</i></td><td><i>58.2</i></td></tr><tr><td>Less estimated National Partnership Payments</td><td><i>3.1</i></td><td><i>2.0</i></td><td><i>10.5</i></td><td><i>18.5</i></td><td><i>14.7</i></td><td><i>4.0</i></td><td><i>52.8</i></td></tr><tr><td>Balance of non-Commonwealth contributions (for CWP)</td><td><i>0.0</i></td><td><i>0.0</i></td><td><i>5.1</i></td><td><i>0.3</i></td><td><i>0.0**</i></td><td><i>0.0**</i></td><td><i>5.4</i></td></tr></table> *Note: Data may not sum due to rounding. NSW contribution to total budget represented in Table 1 reflects all NSW funds committed to the CWP project. ** Note: Not zero but rounded to zero.	Table 1 (\$ million)	<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	Total	Estimated total budget	<i>3.1</i>	<i>2.0</i>	<i>15.6</i>	<i>18.8</i>	<i>14.7</i>	<i>4.0</i>	<i>58.2</i>	Less estimated National Partnership Payments	<i>3.1</i>	<i>2.0</i>	<i>10.5</i>	<i>18.5</i>	<i>14.7</i>	<i>4.0</i>	<i>52.8</i>	Balance of non-Commonwealth contributions (for CWP)	<i>0.0</i>	<i>0.0</i>	<i>5.1</i>	<i>0.3</i>	<i>0.0**</i>	<i>0.0**</i>	<i>5.4</i>
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Additional terms	- Project funds must not, unless agreed by the Commonwealth in writing, be used by New South Wales to: - duplicate any business case or project development activities already undertaken and funded by the Commonwealth; or - cover the cost of any project activities commenced but not yet completed prior to the execution of the Schedule. - New South Wales will provide relevant evidence that demonstrates achievement of performance milestones to meet the needs of the Commonwealth. Evidence will be provided in the form of a Project Execution Plan for each Project that will evolve as New South Wales refines project information. The Project Execution Plans will include: - Regularly updated costings for each Project that need to be robust and defensible. - Commentary against project expenditure to date, delivery schedule status, and engagement activities undertaken. - A detailed and scientifically robust monitoring, evaluation and reporting (MER) plan for each Project (see MER plan requirements at Attachment B). - A final report for each Project, including lessons learnt and finalised costings.																																

	3. 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 on the implementation of Toolkit measures in New South Wales, and oversee the delivery of specified activities and requirements, including endorsement of milestone reports, for each Project under this Schedule. 4. New South Wales will notify the Commonwealth where they intend to make significant variations to the timeframe for delivering milestones agreed in the Project Execution Plan. 5. Toolkit projects are designed where possible and in accordance with the Indigenous Participation Plan (IPP), to employ local and First Nations people, source local goods, and improve environmental outcomes in the northern Basin. 6. Any assets being constructed or modified by New South Wales as part of these Projects are required to have 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 the Projects.
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Table 2A: Performance requirements, reporting and payment summaryPindari Dam Cold-Water Pollution Project

This Project will mitigate the impacts of cold-water pollution (CWP) downstream of Pindari Dam along 200 km of the Severn and MacIntyre rivers through the installation of a bubble plume destratification system and an offsite and onsite solar array and battery system to offset bubble plume carbon emissions.

Project Output	Performance milestones	Report due	Commonwealth Payment
1. Project Establishment	Submission of the Project Execution Plan inclusive of: - Annual Workplan including i. to viii. as per Attachment A and an IPP (if applicable refer to Additional term 5). - Monitoring, Evaluation and Reporting Plan, including items 1 to 8 as per Attachment B.	Within twenty business days of executing this Schedule	\$3,000,000
2. Project Status Report 1	Acceptance by the Commonwealth of evidence that demonstrates Stage 1 progress as per the Project Execution Plan and Annual Workplan for 2024-25 (Attachment A) including: - WaterNSW Service Agreement finalised - Bubble plume design consultant engaged - Bubble plume detailed design completed - Bubble plume compressor procurement sourced and completed - Issue request for tender for construction activities.	1 November 2024	\$8,000,000
3. Project Status Report 2	Acceptance by the Commonwealth of evidence that demonstrates Stage 1 progress as per the Project Execution Plan and Annual Workplan for 2024-25 and updated Annual Workplan for 2025-26 (Attachment A) including: - Bubble plume system contract awarded - Initiation of bubble plume system installation.	1 April 2025	\$3,500,000

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4. Project Status Report 3	Acceptance by the Commonwealth of evidence that demonstrates Stage 1 and Stage 2 progress as per the Project Execution Plan and Annual Workplan for 2025-26 including: Stage 1 - Provide report detailing evidence of bubble plume system commissioning - Bubble plume system operational - MER feedback to optimise bubble plume operation in place - Evidence that Pindari reservoir is not stratified. Stage 2 - Green energy options assessment and concept design completed.	3 November 2025	\$5,500,000
5. Project Status Report 4	Acceptance by the Commonwealth of evidence that demonstrates Stage 2 progress as per the Project Execution Plan and Annual Workplan for 2025-26 and submission of an updated Annual Workplan for 2026-27 (Attachment A) including: - Detailed designs completed - Green energy solution commencement.	1 April 2026	\$4,000,000
6. Project Status Report 5	Acceptance by the Commonwealth of evidence that demonstrates Stage 1 and Stage 2 progress as per the Project Execution Plan and Annual Workplan for 2026-27 including: - 'After monitoring' – Quantify project outcomes and allow for adaptive bubble plume management as per MER plan.	15 July 2026	\$2,000,000
7. Final Report	Submission of Final Report for the entire Project (Stages 1 and 2).	18 December 2026	\$176,247
Total contributions	Note: Stage 1: Pindari Dam Bubble Plume Installation & Operation (\$14,542,722) Stage 2: Green Energy Solution Installation & Operation (\$11,633,525)		\$26,176,247

Table 2B: Performance requirements, reporting and payment summary

NSW Streamlined Fish for the Future: Fish-Friendly Water Extraction Project – Barwon-Darling and Gwydir Rivers

This Project will screen offtake pumps to ensure fish are not removed from targeted areas and thereby improving the resilience of native fish populations in relevant catchments. Table moved from New South Wales Toolkit Projects – streamlined delivery Federation Funding Agreement

Project Output	Performance milestones	Report due	Commonwealth Payment
1. Project Establishment	Project Execution Plan inclusive of: - Outline for Expressions of Interest Program delivery - Project governance arrangements - Communications and stakeholder engagement planning - Plan for collaboration and complementarity between this Project and the Queensland Fish-Friendly Water Extraction Project.	Within 10 business days of executing this Schedule Complete	\$1,024,000 Paid
2. Early On-Ground Works	Acceptance by the Commonwealth of evidence that demonstrates progress as per the Project Execution Plan, including: - Public announcement of the Expression of Interest Program opening - Diversion Screening Guidelines.	31 March 2022 Complete	\$2,048,000 Paid
3. Proposal for Transition to Full Implementation	Acceptance by the Commonwealth of evidence that demonstrates progress as per the Project Execution Plan. Submission of a fully developed Project Execution Plan for Stage 2 inclusive of: - Delivery work plan for remaining project activities - Financial year profile for all project activities through to full implementation - Monitoring, Evaluation and Reporting Plan for the Project (as per requirements at Attachment B to this schedule) - Final project costs.	30 September 2022 Complete	\$2,048,000 Paid

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GATEWAY REVIEW	Subject to delivery to Stage 1 to the satisfaction of the Commonwealth, and the Commonwealth Minister's agreement to a high-level Project Execution Plan, the remaining Project activities and milestones will be negotiated through a Variation to this Schedule. The Commonwealth Minister has agreed \$15,360,000 to deliver Stage 2B milestones 4-6 by 3 November 2025.		Complete 9 March 2023 Commonwealth Minister agreed to Project to proceed to Stage 2
4. Commencement of contracted works	Acceptance by the Commonwealth of a Project Status Report which: - includes evidence of executed contracts for the installation of fish-friendly water extraction screens at all 10 projects sites; and - demonstrates progress towards project completion through comprehensive reporting on the items listed for inclusion in the Project Status Reports at Attachment C (1) for the period 30 September 2022 to 15 October 2023 inclusive.	Within 10 business days of execution of the gateway review project schedule variation Complete	\$10,500,000 Paid
5. Project Status Report for the period July 2024 to April 2025	Acceptance by the Commonwealth of a Project Status Report (Attachment C (1)) that includes: - evidence of executed contracts for the installation of fish-friendly water extraction screens at 100% of Project sites identified in the Project Execution Plan - evidence that demonstrates commencement of manufacture of fish-friendly water extraction screens at 100% of sites - evidence of completion of site-specific screen installation for at least 70% of Project sites.	1 April 2025	\$3,000,000
6. Completion of contracted works, testing and commissioning	Acceptance by the Commonwealth of a Project Completion Report (Attachment C (2)) that includes: - evidence that demonstrates completion of installation of fish-friendly water extraction screens at 100% of Project sites.	1 September 2025	\$1,860,000
Total contributions			\$20,480,000

Table 2C: Performance requirements, reporting and payment summary

NSW Fisheries Fish-Friendly Water Extraction Project – Northern Basin Catchments

Funding for this project will extend the existing FFWE project to install additional modern fish screens at priority diversion sites along catchments in the Northern Basin.

Project Output	Performance milestones	Report due	Commonwealth Payment
Stage 1: Pre-works assessment of sites and screening locations			
1. 2024/25 Workplan	Acceptance by the Commonwealth of evidence of an Annual Workplan for 2024-25 (Attachment A) including: - site selection process activities, including: - o full list of potential screening locations - o desktop analysis of all potential sites, including preliminary costings - o confirmation of landholder willingness to participate - communication and stakeholder engagement planning.	Within twenty business days of executing this Schedule	\$500,000
2. Project Execution Plan & Project Status Report 1	Acceptance by the Commonwealth of evidence of a Project Execution Plan that includes: - site locations and screen numbers for a total of at least 450ML screened water extractions per day (peak pumping capacity) across (up to) 7 sites. - landholder deed of agreement template - project governance arrangements - communication and stakeholder engagement plan. Acceptance by the Commonwealth of evidence that demonstrates project progress as per the Project Execution Plan and Annual Workplan for 2024-25 (Attachment A) that demonstrates: - completion of on-ground assessment and prioritisation of screening sites - commencement of request for tender for screen manufacture.	20 November 2024	\$500,000

Stage 2: Commencement of Contracted Works			
3. Monitoring, Evaluation and Reporting Plan & Project Status Report 2	Acceptance by the Commonwealth of evidence of a Monitoring, Evaluation and Reporting (MER) Plan for the Project that addresses the criteria at Attachment B. Acceptance by the Commonwealth of evidence that demonstrates Project progress as per the Project Execution Plan and Annual Workplan for 2024-25 and submission of an updated Annual Workplan for 2025-26 (Attachment A). - evidence of quotes received, as well as justification of preferred tender - evidence of executed contracts for the installation of fish-friendly water extraction screens at 50% of project sites identified in the Project Execution Plan.	15 July 2025	\$2,100,000
4. Project Status Report 3	Acceptance by the Commonwealth of evidence that demonstrates Project progress as per the Project Execution Plan and Annual Workplan for 2025-26 (Attachment A) that includes: - evidence of executed contracts for the installation of fish-friendly water extraction screens at 100% of project sites identified in the Project Execution Plan - final site costings approved - evidence of completion of site-specific screen design for at least 50% of Project sites - evidence that demonstrates commencement of manufacture of fish-friendly water extraction screens.	20 November 2025	\$1,250,000

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5. Project Status Report 4	Acceptance by the Commonwealth of evidence that demonstrates Project progress as per the Project Execution Plan and Annual Workplan for 2025-26 and submission of an updated Annual Workplan for 2026-27 (Attachment A). - evidence of completion of site-specific screen design for all project sites - evidence that demonstrates that manufacture of fish-friendly water extraction screens for all executed contracts is complete, or has been expended, and screens are on schedule to be fully installed across all project sites identified in the Project Execution Plan by the Project completion date - evidence that demonstrates commencement of installation of fish-friendly water extraction screens at 50% of Project sites.	15 July 2026	\$1,250,000
Stage 3: Completion of contracted works			
6. Project Completion Report	Acceptance by the Commonwealth of a Project Completion Report (Attachment C (2)) that includes: - evidence that demonstrates completion of installation of fish-friendly water extraction screens for a total of at least 450ML screened water extractions per day across all project sites identified in the Project Execution Plan. - evidence that demonstrates completion of all activities undertaken during the Project, including compliance and testing, monitoring and evaluation, and communication and engagement - evidence that demonstrates asset hand over to landholders, including ongoing operation and maintenance.	18 December 2026	\$527,951
Total contributions			\$6,127,951

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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 Environment and Water

24 9 2024
[Day] [Month] [Year]

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



The Honourable Tara Moriarty MLC
Minister for Agriculture, Minister for Regional New
South Wales, and Minister for Western New South
Wales

[Day] [Month] [Year]

9 12 2024

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ATTACHMENT A.

Annual Workplan Requirements

1. An annual workplan covering each Project will be accepted if it addresses the following to the Commonwealth's satisfaction:
 - I. Project management documentation, including:
 - i. Key Project deliverables
 - 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 risk that have materialized 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 obtaining any necessary regulatory approvals.

ATTACHMENT B.

Requirement for the Monitoring, Evaluation and Reporting (MER) plan that is to be provided as part of each Toolkit project.

The plan will provide information on how each of the Projects, if implemented, will be assessed to determine its effectiveness in delivering its anticipated environmental outcomes and monitor any key risks and potential ecological dis-benefits. The MER plan must:

1. be underpinned by a program logic, and be consistent with long-term watering plans and water resource plans MER, including being informed by risks these plans have identified;
2. be a standalone document that addresses relevant MER recommendations identified by the Independent Expert Ecological Panel for Ecological Merit and Prioritisation in their assessment of the project feasibility proposal;
3. be capable of evaluating and reporting on the effectiveness of the works, and also whether or not the intended environmental outcomes have been achieved by these works. This includes being capable of evaluating and reporting on key ecological risks and dis-benefits as part of a risk mitigation strategy developed during project development;
4. be able to evaluate and report at the project level, but also be geographically and thematically integrated with other relevant MER programs and activities, particularly for other Toolkit projects;
5. describe how MER activities leverage off and doesn't duplicate the MER activities undertaken through existing programs;
6. describe cost sharing and governance arrangements for longer term MER activities;
7. be designed to support broader Basin Plan MER including the Basin-wide monitoring strategy being led by the Murray Darling Basin Authority; and
8. describe data sharing arrangements with the expectation being that any data and information arising from the MER plan is available to, and shared with, other Basin governments and also made publicly available where appropriate.

ATTACHMENT C.

1. Items for inclusion in the Project Status Reports listed under milestones 4 and 5 of Table 2B and milestones 2, 3, 4 and 5 of Table 2C for the New South Wales Fish-Friendly Water Extraction Project.

The **Project Status Reports** will provide information on Project actions which occurred during the reporting period. This will include, but is not limited to, the following:

- a. Evidence of the works completed during the reporting period, including: number of contracts executed, number of project sites, number of screens installed as well as screen size (diameter) and pumping capacity, and provision of catchment level maps indicating location of projects;
- b. a summary of the works achieved in relation to the ordering, manufacture, delivery and installation of screens;
- c. a summary of local and Indigenous employment generated through the period;
- d. a breakdown of the cost of all works completed during the reporting period;
- e. any further stakeholder engagement that has been necessary for activities during the reporting period;
- f. any new risks identified during the reporting period and their potential impact on project delivery;
- g. progress of MER Plan funding and monitoring activities; and
- h. any other matters relating to the project.

2. Items for inclusion in the Project Completion Report listed under milestone 6 of Table 2B and milestone 6 of Table 2C for the New South Wales Fish-Friendly Water Extraction Projects.

The Project Completion Report will describe all activities completed under the project including, but not limited to, the following:

- a. the number of contracts executed and completed;
- b. the number of screens installed and commissioned;
- c. the total project costs;
- d. a summary of all MER activities and findings, including the predicted number of fish retained in the rivers due to the project;
- e. all project communications and stakeholder engagement activities;
- f. evidence of potential further uptake of screens by water extractor;
- g. a summary of local and Indigenous employment across the timeframe of the project and further opportunities arising from the project;
- h. lessons learned from the project; and
- i. any planned longer-term monitoring, evaluation and reporting activities which may provide evidence of change in the numbers of native fish retained in the rivers.