

# Department of Agriculture, Water and the Environment

Variation Agreement No. 9 to the Project Schedule to  
the Water Management Partnership Agreement for  
the

## NSW HEALTHY FLOODPLAINS PROJECT

**Commonwealth of Australia** as represented by the  
Department of Agriculture, Water and the Environment  
(**Commonwealth**) ABN: 34 190 0894 983

The Crown in right of the **State of New South Wales**  
acting through the Department of Planning, Industry and  
Environment ABN 20 770 707 468 (**State**)

# Details

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## Parties

Name The Commonwealth of Australia as represented by the Department of Agriculture, Water and the Environment

ABN 34 190 0894 983

Shortformname **Commonwealth**

Address details The Director, Healthy Rivers – Northern Section  
GPO Box 858, Canberra City, ACT, 2601  
18 Marcus Clarke Street, Canberra City, ACT, 2601

Name The Crown in right of the State of New South Wales acting through the Department of Planning, Industry and Environment

ABN 20 770 707 468

Shortformname **State**

Address details Director, Healthy Floodplains Project NSW Department of Planning, Industry and Environment, Division of Water Level 2, 6 Stewart Avenue, Newcastle West, NSW 2302

(collectively 'the parties')

## Background

- A** On 11 January 2010, the Commonwealth (as then represented by the Department of the Environment) and the State (then known as NSW Office of Water), entered into a Water Management Partnership Agreement (the **Original Agreement**).
- B** In accordance with the requirements of the Original Agreement, the parties have executed and subsequently incorporated into the Original Agreement, a total of four project schedules in respect of various priority projects, including the Project Schedule signed on 4 June 2012 (the **Project Schedule**) for the Healthy Floodplains Project (the **Priority Project**).
- C** The parties varied the Project Schedule to the Original Agreement in accordance with clause 16 of the Original Agreement as follows. On:
- (i) **13 June 2013 (Variation One)** to include an additional project output. This did not change the budget or timeframes for overall project delivery;
  - (ii) **12 June 2014 (Variation Two)** to adjust Milestone Schedule dates and payments to better reflect project progress and update references to the Building Code 2013 and the Australian Government Building and Construction OHS Accreditation Scheme;
  - (iii) **29 April 2015 (Variation Three)** to realign project tasks and due date for completion of Milestone 6; and
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- (iv) **5 January 2017 (Variation Four)** to extend the project completion date and adjust milestones to suit scope of works and better match outcomes;
- (v) **21 May 2018 (Variation Five)** to extend the project completion date and reassign project funds and milestones between project components;
- (vi) **4 April 2019 (Variation Six)** to extend the Stage 1 completion date to 15 December 2019 and reassign project funds and milestones between project stages;
- (vii) **29 May 2020 (Variation Seven)** to increase project funding for Stage 1 extend the completion date to 30 June 2021; and reassign project funds and milestones between project components; and
- (viii) **22 June 2021 (Variation Eight)** to extend Stage 1 completion date to 31 December 2021. Amend timeframes for deliverables and milestone payment amounts, reassign project funds across existing project activities and amend final reporting requirements to enable reallocation of unspent funds between stages of the Priority Project (if required).

Together, the Original Agreement, the Project Schedule as varied by the eight previous variations, this ninth variation and any other project schedules incorporated and as varied in accordance with the requirements of the Original Agreement, form the '**Agreement**' for the purposes of this Variation.

- D** Following the Administrative Arrangements Order dated 1 February 2020, the Department of Agriculture, Water and the Environment (Department) has had responsibility for administering the Agreement on behalf of the Commonwealth.
- E** The Commonwealth, as represented by the Department and the State have agreed to vary the terms of the Project Schedule in accordance with this Variation so as to:
  - (i) adjust timeframes for deliverables and milestone payment amounts for Stage 1;
  - (ii) extend completion date for Stage 1 to 31 December 2022;
  - (iii) include delivery of the compliance activities outlined in the 'Accelerated Compliance program for unapproved flood works' business case to Stage 2 of the project; to be known as Stage 2A – Improving Floodplain Connections;
  - (iv) reallocate \$10,196,336 from 'Future Projects' budget line to Stage 2A across milestone deliverables;
  - (v) administrative changes including the Department's contact details; and
  - (vi) extend the Stage 2 completion date (specifically Stage 2A) of the Project to 30 June 2024.
- F** The parties acknowledge that this Variation satisfies all requirements in clause 16 of the Original Agreement for a valid variation.

# Agreed terms

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## 1. Defined terms and interpretation

In this Variation Agreement, unless the contrary intention appears:

- (a) a word or expression defined or referred to in the Agreement has the meaning given to it in the Agreement;
- (b) clause 18.5 of the Agreement applies to this Variation as though all references in that clause to the "Agreement" were instead references to this "Variation";
- (c) **Agreement** means the Agreement described in paragraph C of the Background;
- (d) **Effective Date** means the date on which this Variation is signed by both parties, and if signed on different dates, the latter of those dates;
- (e) **Project Schedule** means the Project Schedule to the Agreement for the Priority Project described in paragraphs Band C of the Background; and
- (f) **Variation** means this Variation Agreement, including all schedules and attachments to it.

## 2. Variation to Agreement

With effect from the date of this deed, the Agreement is varied by:

Replacing the "Project Schedule to the Water Management Partnership Agreement for the NSW Healthy Floodplains Project", Eighth Variation, dated 22 June 2021, with the Project Schedule as set out in **Attachment A** to this deed.

## 3. Effect of Variation

A clean version of the Project Schedule incorporating all variations from clause 2 of this Variation is at **Attachment A** of this Variation. The Parties agree that **Attachment A** of this Variation will be relied on as the complete and current version of the Project Schedule.

## 4. Affirmation of Agreement

- (a) Subject only to the amendments contained in this Variation, the parties confirm all other provisions of the Project Schedule and the Agreement.
- (b) The Agreement, as varied by this Variation, comprises the entire agreement between the parties.
- (c) The parties acknowledge and agree that the Agreement as varied by this Variation is and continues to be in full force and effect.

## **5. Payment Acknowledgement**

The parties acknowledge that the following amount(s) has previously been paid to the State in accordance with the Agreement

- (a) Gross amount of \$41,045,920 (GST exclusive), representing Stage 1 \$39,340,000 and Stage 2 \$1,705,920; and
- (b) Net amount \$40,114,576 (Gross Income \$41,045,920 less Interest recovery of \$931,344).

## **6. Costs and GST**

- (a) Each party must meet or pay its own costs and expenses (including legal costs) in respect of the preparation, negotiation, execution and completion of this Variation.
- (b) If GST is payable on any supply made under or in connection with this Variation, the recipient of the supply must pay to the supplier an additional amount equal to the GST payable on the supply provided that the supplier has given the recipient a tax invoice for the supply.
- (c) The State must pay any stamp duties and registration or other fees (including fines, penalties and interest relating to such duties and fees) which are payable or are assessed by a relevant government body or other person to be payable in relation to this document or any transaction contemplated by it.

## **7. Counterparts**

This Variation may be executed in counterparts. All executed counterparts constitute one document.

# Signing page

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**Signed** for and on behalf of the  
**Commonwealth of Australia** as  
represented by the **Department of  
Agriculture, Water and the Environment**  
by its duly authorised delegate

In the presence of:

[Redacted signature area]

Signature of delegate

Signature of Witness

[Redacted name area]

Name of delegate (print)

Name of Witness (print)

[Redacted position area]

Position of delegate (print)

Date

**Signed** for and on behalf of the Crown in  
right of the **State of New South Wales**  
acting through the Department of Planning,  
Industry and Environment by its duly  
authorised delegate

In the presence of:

[Redacted signature area]

Signature of delegate

Signature of Witness

[Redacted name area]

Name of delegate (print)

Name of Witness (Print)

[Redacted position area]

Position of delegate (Print)

Date

[Redacted signature area]

**PROJECT SCHEDULE**

**COMMONWEALTH OF AUSTRALIA** REPRESENTED BY THE  
DEPARTMENT OF AGRICULTURE, WATER AND THE  
ENVIRONMENT

NEW SOUTH WALES STATE PRIORITY PROJECT  
**NSW HEALTHY FLOODPLAINS PROJECT**

PROJECT SCHEDULE 4 TO THE WATER MANAGEMENT  
PARTNERSHIP AGREEMENT BETWEEN THE COMMONWEALTH  
AND NEW SOUTH WALES

## A. Terminology used in this Project Schedule

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- A.1.1. Except where indicated in Item A.1.2, capitalised terms in this Project Schedule have the same meaning as in clause 18.4 of the *Water Management Partnership Agreement* between the Commonwealth and New South Wales dated 11 January 2010 (the **Agreement**).
- A.1.2. For the purpose of this Project Schedule only, the terms specified in this item have the following meaning:
- a. Activity: means an activity that the State is required to undertake, or ensure is undertaken, to complete the Priority Project and includes anything that is reasonably incidental to the completion of that activity.
  - b. Basin Plan: means the plan of that name adopted under the Water Act.
  - c. Business Case Information Requirements: means the criteria set out in Schedule E of the IGA.
  - d. Department: means the Department of Agriculture, Water and the Environment (ABN 34 190 0894 983) or other department or agency that represents the Commonwealth and has from time to time responsibility for this Agreement and includes its Personnel and successors.
  - e. Flood Control Works: means structures including earthworks, embankments and levees developed for flood control purposes that are changing flow patterns or blocking flows from reaching wetlands.
  - f. Floodplain Harvesting Measurement Policy: means a robust, practical and effective measurement and compliance framework that enables better accounting and equitable sharing of limited water resources. Regulation of floodplain harvesting in accordance with the Floodplain Harvesting Measurement Policy will be the responsibility of the Natural Resources Access Regulator with WaterNSW responsible for the accounting and billing associated with floodplain harvesting. The Floodplain Harvesting Measurement Policy was originally prepared as a Monitoring and Auditing Strategy.
  - g. Floodplain Harvesting Works: means infrastructure that facilitates the collection, extraction or impoundment of water.
  - h. Floodplain Management Plan (FMP): means a plan of that name adopted or made under the *Water Act 1912* or the *Water Management Act 2000*.
  - i. Hotspot Audit: means the audit of areas and Flood Control Works or Floodplain Harvesting Works requiring further investigation during Stage 2 of this Priority Project.
  - j. Interest: means interest accrued pursuant to clause 6.1.9 of the Agreement.
  - k. Murray-Darling Basin Authority (MDBA): means the organisation of that name established under the *Water Act 2007* (Cth).
  - l. DPIE Water: means the NSW Department of Planning, Industry and Environment, Water, which is a Division of the NSW Department of Planning, Industry and Environment (ABN 20 770 707 468) representing the Crown in

right of the State of New South Wales, and includes its Personnel and successors.

- m. Progress Report: means a report received at the intervals specified in the Milestone in Item C.1.2 and C.1.3 as specified in Item I.2;
- n. Priority Project: means a project being funded and/or implemented under the Water Management Partnership Agreement between the Commonwealth and New South Wales.
- o. Project Governance Group: means a group comprising representatives from the Department and the State who will overview the implementation and progress of this Priority Project.
- p. Review: means the review conducted by the Review Panel in accordance with Item B.3.1.a.11.
- q. Review Panel: means the Panel supporting the review of Stage 1 of the Priority Project to provide recommendations to the State and the Commonwealth on whether or not to proceed with Stage 2, as outlined in Item B.3.1.a.11-
- r. Stage 1: means the first phase of the Priority Project to be undertaken by the State as described in Items B.3.1, C.1.1 and C.1.2.
- s. Stage 2: means the second phase of the Priority Project that will proceed as varied in this agreement and agreed by NSW and the Commonwealth, will be undertaken by the State as described in Items B.3.1, C.1.3 and C.1.5.
- t. Start-up Amount: means the \$987,744 (GST exclusive) of funding that was provided by the Commonwealth to the State under the funding deed of 28 April 2009, for the State to develop the business case for this Priority Project. The Start-up Amount does not, however, form part of the Funding governed by this Project Schedule.
- u. State: means the Crown in right of the State of New South Wales acting through the Division of Water as an office of the Department of Planning, Industry and Environment (ABN 20 770 707 468) located at 6 Stewart Avenue, Newcastle West, NSW 2302, and includes its Personnel and successors.
- v. Sustainable Diversion Limit Offset: means an increase in the applicable sustainable diversion limit, as formally accredited by the MDBA, achieved by the use of more water efficient works and measures and which reduces the amount of water required to meet environmental needs.

## **B. Priority Project**

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### **1.1. Summary and duration of the Priority Project**

- B.1.1. Both Parties acknowledge that the Commonwealth has previously provided the Start-up Amount to develop the business case for this Priority Project.
- B.1.2. The Commonwealth has agreed to provide up to \$45,010,000 (GST exclusive) for Stage 1 of this Priority Project. This Priority Project also includes the conduct of a Review as set out in Item B.3.1.a.11.

- B.1.3. The Commonwealth has agreed to provide up to \$11,902,256 (GST exclusive) for Stage 2 of this Priority Project. This variation commits \$10,196,336 of unallocated project funds to the agreed compliance program activities; to be known as Stage 2A – Improving Floodplain Connections.
- B.1.4. This Priority Project will commence on the date this Schedule is signed and must be completed by 30 June 2024.

## **2.2. Aim of Project Activities**

- B.2.1. The purpose of the Priority Project is to licence and control floodplain extractions and improve watering of key environmental assets across New South Wales. The Priority Project will increase the volume of flow to wetlands on floodplains through controls on water capture and through development and implementation of floodplain management plans.
- B.2.2. The Priority Project will be implemented across the five northern valleys in that part of the Murray-Darling Basin which is within NSW (Gwydir, Border Rivers, Namoi (Upper and Lower), Macquarie and Barwon-Darling). As the Namoi valley is considered in Upper and Lower catchments, the Milestones will refer to a total of six catchments when describing the Valley Wide Floodplain Management Plans.
- B.2.3. This Priority Project will assist the State to meet its commitments to the IGA and meet its Reform Requirements.
- B.2.4. The outcomes of this Priority Project comprise:
- a. Improved understanding of the relationship between floodplain flows, extractions and wetland health in order to improve floodplain water management;
  - b. Improved accuracy of NSW's water accounting such that compliance with long term draft extraction limits, under NSW's water sharing plans and future sustainable diversion limits (**SDLs**), under the Basin Plan can be determined with more certainty; and
  - c. Ensure that environmental water entitlements held by environmental water managers can be used to support flood-dependent ecosystems, generally in accordance with clause 78 and 79 of the National Water Initiative.

## **3.3. Priority Project Requirements**

- B.3.1. The State agrees that:
- a. The Priority Project will proceed in stages. During Stage 1 the State must:
    1. develop and implement a communication strategy for the Priority Project;
    2. develop a database to identify Floodplain Harvesting Works, Flood Control Works and associated extractions and environmental assets at a valley scale to provide baseline information for Floodplain Management Plans;
    3. engage a consultant to determine the preferred method of measuring floodplain harvesting extractions;
    4. prepare valley-wide Floodplain Management Plans to map and improve floodplain connectivity for the unimpeded passage of floodwater to

- environmental assets and identify areas where floodplain structures can be retained and constructed for agricultural purposes and flood protection;
5. determine volumetric entitlements for floodplain harvesting within the relevant NSW water sharing plan extraction limits. This will involve setting the specific floodplain harvesting limit for each valley and individual floodplain harvesting licence entitlements;
  6. determine the impacts of historical floodplain harvesting activity on the existing cap under Schedule E of the MDBA, the Water Plan's long-term extraction limits, and on the sustainable diversion limits under the Basin Plan;
  7. complete environmental assessments of all eligible works under the finalised New South Wales Floodplain Harvesting Policy consistent with the requirements of all applicable legislation, including the hydraulic and environmental assessment criteria used in the Floodplain Management Plans, and issue work approvals and water access licences as appropriate. This process may result in works being modified or removed where they do not meet the criteria for approval;
  8. integrate water access licences into the Water Licensing System and update the licensing procedures;
  9. implement an appropriate monitoring strategy that meets the objectives of the National Water Initiative, Murray Darling Basin Authority's Basin Plan and *Water Management Act 2000*. Measurement requirements will be included in the licence conditions;
  10. complete an analysis of the potential reductions in floodplain diversions for each applicable catchment that may lead to Sustainable Diversion Limit Offsets, to be included in milestone S1-9.4 of this Priority Project;
  11. convene a Review Panel to consider the Priority Project's progress and assist the State and the Commonwealth to consider whether Stage 2 should proceed. The Review will be conducted as follows:
    - i. the Review Panel will be chaired by the State and consist of two State members (including the Chair), two Commonwealth members and an independent expert appointed by the State; any costs arising from the independent expert are to be met from the Funding;
    - ii. the Review will take into account progress and results of the activities covered by Items B.3.1.a, consider the State's proposals for Stage 2, and provide a Report containing recommendations to the Commonwealth on the proposed scope and amount of Commonwealth Funding for any Stage 2 of the Priority Project (noting that the maximum Funding for Stage 2 is \$11,902,256 (GST exclusive));
    - iii. the State will, at the direction of the Review Panel, undertake investigations, analysis and activities that have been agreed by the consensus of the Review Panel, as essential for its assessment of the need for Stage 2; and

- iv. Stage 2 can proceed in accordance with, and to the extent of, the Parties' agreement as described in this ninth Variation to the milestone schedule.
- b. During Stage 2 the State must:
  - 1. develop a communication strategy associated with the Hotspot Audit, including compliance activities;
  - 2. undertake the Hotspot Audit to identify structures which should be considered for remedial action to improve floodplain connectivity;
  - 3. develop a Floodplain Harvesting Measurement Policy; and
  - 4. following agreement from the Commonwealth, develop a business case based on the outcomes of the Hotspot Audit. The business case will include a breakdown of proposed activities, costings and timing.
- c. During Stage 2A the State must:
  - 1. develop a program plan and a communication and engagement plan;
  - 2. develop a monitoring evaluation reporting and improvement framework that evaluates progress of works completed beyond the end date of the Priority project in 2024;
  - 3. undertake compliance assessments to determine appropriate remediation requirements for each of the 110-priority unapproved flood work structures, identified from the Hotspot Audit; and
  - 4. complete pre-construction activities for all of these 110 structures.

B.3.2. The State agrees that it:

- a. is responsible for ensuring the proper and efficient conduct of this Priority Project, in accordance with this Project Schedule;
- b. will ensure that the Project Governance Group meets on a regular basis and that where possible will circulate all relevant meeting documentation to all members at least five working days in advance;
- c. will ensure there is appropriate monitoring, auditing and reporting of expenditure against the Project Cost, to enable the Commonwealth to be suitably informed on the progress and outcomes of this Priority Project;
- d. will provide ongoing annual reporting to the satisfaction of the Commonwealth on the progress and outcomes of this Priority Project until the completion of compliance assessments and remediation strategies have completed for each of the 110 priority unapproved flood works structures that were identified from the Hotspot Audit;
- e. will comply, and ensure its subcontractors comply, with all requirements of the *Work Health and Safety Act 2011*;
- f. will ensure the requirements of the WHS Accreditation Scheme under section 43 of the *Building and Construction Industry (Improving Productivity) Act 2016*, and the Office of the Federal Safety Commissioner are met.

B.3.3. In this clause B.3.3.:

**'ABCC'** means the Australian Building and Construction Commission referred to in subsection 29(2) of the Act;

**'Act'** means the *Building and Construction Industry (Improving Productivity)*

Act 2016;

**'Building Code 2013'** means the *Building Code 2013* which is available through the following webpage <http://www.employment.gov.au/building-code>;

**'Building Code 2016'** means the *Code for the Tendering and Performance of Building Work 2016*, which is available through the following webpage <http://www.employment.gov.au/building-code>;

**'Commonwealth funded building work'** means work which falls within the scope of the relevant building code legislation;

Where the Funding relates to Commonwealth funded building work for which an expression of interest or tender (however described) was submitted before 2 December 2016, the Building Code 2013 will apply; and

- a. the State must ensure that any head contractors who submitted a bid for the work before 2 December 2016:
  1. are provided with the ABCC Information Statement available at <https://www.abcc.gov.au/building-code/building-code-resources/contractor-resources>; and
  2. are provided with the *Model Clauses Type C (Model Clauses for Code Covered Entities when engaging Subcontractors on Head Contractor Building Code 2013 Projects)* available from <https://www.abcc.gov.au/building-code/building-code-resources/contractor-resources> for use if they further subcontract the building work; and
  3. are otherwise made aware of any other relevant transitional guidance made available by the ABCC.
- b. Where the Funding relates to Commonwealth funded building work for which an expression of interest or tender (however described) was submitted on or after 2 December 2016, the Building Code 2016 will apply, and the State must satisfy any relevant requirements set out in the model clause documentation in respect of the Building Code 2016.
- c. Notwithstanding this clause B.3.3., the State agrees to comply with the applicable building code legislation which may be in force from time to time and that this clause B.3.3. may be updated to accommodate any changes to the relevant building code legislation.

B.3.4. The State agrees that it:

- a. will carry out the Activity in accordance with all applicable laws (including, but not limited to, all required State and Commonwealth planning, environmental, development, building, occupational health and safety and regulatory approvals and all applicable Australian standards);
- b. will provide the Commonwealth with timely access to the State's records and personnel to enable the Commonwealth to conduct its own independent audit or review of any aspect of this Priority Project if requested; and
- c. is responsible for meeting the Project Milestones specified in this Project Schedule.

B.3.5. In undertaking this Priority Project, the State will comply with the requirements, where relevant, of the *Environment Protection and Biodiversity Conservation*

*Act 1999.*

- B.3.6. The State acknowledges that the Department is not required to perform any aspect of this Priority Project, apart from its role in the Review Panel at clause B.3.1.a.11 and as a member of the Project Governance Group.
- B.3.7. In delivering the Priority Project, the State agrees to the following conditions of Funding:
- a. Consistent with clause 14 of the Agreement, the State agrees that it will seek the agreement of the Department before the release of any publicity material by the State in relation to the Priority Project. The Department will provide its agreement on the release of such publicity material within 10 Business Days, excluding any which require approval by the Commonwealth Minister;
  - b. The State is responsible for ensuring that the Funding is spent for the purposes of the Priority Project in accordance with:
    1. the Project Budget; and
    2. this Project Schedule;
  - c. Commonwealth Funding provided under this Priority Project can be spent on legal advice regarding the implementation of this Priority Project but must not be spent on legal advice:
    1. regarding the development of the Project Schedule;
    2. for any dispute or action against or involving the Commonwealth except where that dispute or action involves the Commonwealth, the State and a third party to the extent that the Department, at its sole discretion, gives its prior written consent to the State using the Funds for that purpose; or
    3. in relation to any dispute or action against or involving the State except to the extent that the Department, at its sole discretion, gives its prior written consent to the State using the Funds for that purpose; and
  - d. The use of any interest that the State earns on the Commonwealth Funds will be consistent with clause 6.1.9 of the Agreement. The prior approval of the Commonwealth will be obtained for the use of any interest on the Priority Project.
- B.3.8. The State agrees to develop a detailed Priority Project budget, before Project Milestone 2 can be paid, which reflect contemporary and detailed costings for the Priority Project's implementation and capital costs.
- B.3.9. NSW must submit all of its 20 Water Resource Plans to the MDBA by 30 June 2020. Each Water Resource Plan must, at a minimum, contain all the required elements of such plans and be ready for assessment by the MDBA.
- B.3.10. In delivering agreed compliance plan activities under Stage 2A of the Priority Project, the State agrees to the development of a Program Plan which incorporates all of the following:
- a. **Decision point gateways - including** an independent review being completed as part of 2A-2.2 prior to 30 October 2022 as to the ongoing viability of the Improving Floodplain Connections program and being submitted to the department for consideration. This review will identify whether the program remains viable and if so, will identify appropriate decision point gateways, their timing within the compliance program and suggested pass/fail criteria for each gateway, which will be incorporated into this Project Schedule via a variation in accordance with clause 16 of the Agreement.

- b. **Development of a follow-up monitoring program** – with annual and milestone reporting that includes specific deliverables and progress of assessment work for each of the five Murray-Darling Northern Basin valleys as part of the milestone reporting schedule. This monitoring program must include the remediation/removal of any of the 110-priority unapproved flood works structures remaining at project closure. Details of this follow-up monitoring program will be incorporated in the Monitoring, evaluation and reporting Plan referred to at B.3.1.c and C.1.5.
- c. **An alternative delivery options plan** be submitted in the event approved works timeframes are not finalised within expected timeframes. This Plan will be incorporated in the Program Plan.
- d. **An updated detailed cost benefit analysis** be completed and submitted to the department for consideration of anticipated additional milestones and gateway decisions at the end of Part 1 of Stage .2A
- e. **NSW adopts a clear approach** to ensure the recommended remedial works at each of the 110 priority hotspots that were identified from the Hotspot Audit are actualised, such that there is an enduring benefit from the Commonwealth investment; and
- f. **NSW addresses delays, should they occur, to ensure all landholder remediation requirements are met** past the June 2024 deadline, including NSW funding any additional costs.

## C. Project Milestones

C.1.1. The Project Milestones for completed Stage 1 milestones are provided in the following table

Project Milestone Number	Project Milestone	Indicator / Evidence	Due Date	Payment Value
1.	<b>Project Milestone 1 Stage 1</b>	Project schedule signed by both parties.	8 June 2012 <b>Complete</b>	<b>\$3,500,000 Paid</b>
2.	<b>Project Milestone 2 Stage 1</b>	All elements of Project Milestone 2 are completed to the reasonable satisfaction of the Department.	24 May 2013 <b>Complete</b>	<b>\$4,000,000 Paid</b>
2.1	State provides a detailed Budget for the Priority Project.	Detailed budget.		
2.2	State provides an implementation plan for the Priority Project, describing how it will implement the Priority Project to achieve its aims as specified in this Project Schedule including estimated timelines.	Implementation plan.		
2.3	State completes development of a communication strategy detailing its proposed consultations with stakeholders and timeframes.	Final communication strategy.		
2.4	State develops a procurement strategy for the measurement consultancy.	Final procurement strategy.		
2.5	Undertake a review of project data (GIS / databases) and data sharing requirements between work areas and recommend a design for a GIS system to capture field information and a process to allow data sharing with work groups.	Copy of report including review and recommended GIS system.		
2.6	State completes a scoping study for the Gwydir Valley Wide Floodplain Management Plan.	Scoping study report for the Gwydir Valley Wide Floodplain Management Plan.		
2.7	State announces invitations for Expressions of Interest (EOI) for floodplain harvesting licences in Gwydir Valley.	Evidence of public announcement of EOI		
2.8	State establishes the Project Control Group with the Commonwealth represented as an observer.	Group formed and at least one meeting of the Project Control Group and minutes.		
2.9	State provides Progress Report to the Department.			

<b>3.</b>	<b>Project Milestone 3 Stage 1</b>	All elements of Project Milestone 3 are completed to the reasonable satisfaction of the Department.	04 June 2013 <b>Complete</b>	<b>\$5,340,000 Paid</b>
3.1	State conducts preliminary work for farm surveys in the Gwydir Valley (collates existing data, develop site visit plan, questionnaire, and preliminary farm plans).	Report that demonstrates that the preliminary farm survey work for the Gwydir Valley has been completed.		
3.2	State completes scoping studies to prepare Valley Wide Floodplain Management Plans for the Border Rivers and Namoi valleys.	Scoping studies for the Border Rivers and Namoi, valleys.		
3.3	State provides report on approach to determining any Sustainable Diversion Limit Offsets arising from the Project's activities.	Report completed on approach to determining the Sustainable Diversion Limit Offsets.		
3.4	State announces invitations for Expressions of Interest (EOI) for floodplain harvesting licensing in Border Rivers and Namoi valleys.	Copy of public announcement of EOI in Border Rivers and Namoi valleys.		
3.5	Ensure the design of the CRS can support the requirements of the Healthy Floodplains Project.	<p>Undertake the following activities:</p> <ul style="list-style-type: none"> <li>• Manage the State's contribution to the detailed design of the CRS – and ensure the design includes the necessary capabilities for managing flood harvesting entitlements and flood work approvals.</li> <li>• Review draft and final deliverables provided by both the CRS Project Implementation Partner and the Commonwealth to ensure the capability for managing flood harvesting entitlements and flood work approvals will be in the CRS.</li> <li>• Produce final planning documentation for the implementation of CRS in NSW, including the integration of CRS with related NSW systems, to ensure the implementation of facilities to meet the requirements of the Healthy Floodplains Project.</li> <li>• Documentation should include: <ul style="list-style-type: none"> <li>• Project plan,</li> <li>• Project schedule, and</li> <li>• Cost estimates for Streams 2 and 3</li> </ul> </li> </ul>		

3.6	State provides Progress Report to the Department	Progress Report as per item I.2.1		
<b>4.</b>	<b>Project Milestone 4 Stage 1</b>	All elements of Project Milestone 4 are completed to the reasonable satisfaction of the Department.	30 May 2014 <b>Complete</b>	<b>\$4,000,000 Paid</b>
4.1	Implement the recommended GIS solution for individual licence holders and flood control works	Copy of database and shape files.		
4.2	State completes flood behaviour investigation for the Gwydir Valley Wide Floodplain Management Plan.	Report on outcomes of the flood behaviour investigation for the Gwydir Valley.		
4.3	State completes scoping studies to prepare Valley Wide Floodplain Management Plans for the Barwon Darling and Macquarie valleys.	Scoping studies for the Barwon Darling and Macquarie valleys.		
4.4	State announces invitations for Expressions of Interest (EOI) for floodplain harvesting licensing in Barwon Darling and Macquarie valleys.	Copy of public announcement of EOI in Barwon Darling and Macquarie valleys.		
4.5	State provides Progress Report to the Department.	Progress Report as per item I.2.1.		
<b>5.</b>	<b>Project Milestone 5 Stage 1</b>	All elements of Project Milestone 5 are completed to the reasonable satisfaction of the Department.	14 June 2014 <b>Complete</b>	<b>\$4,000,000 Paid</b>
5.1	State commences field testing trial of competing dam storage measurement devices	Progress report on the evaluation of the measurement devices field testing trial.		
5.2	State commences development of strategy to meter/measure floodplain diversions.	Copy of the draft strategy to meter/measure floodplain diversions.		
5.3	State completes stakeholder consultation and property inspections for Gwydir Valley.	Report on outcomes of inspections for Gwydir Valley.		
5.4	State provides updated GIS database including gathered information on individual licence holders and flood control works.	Updated GIS database.		
5.5	State provides Progress Report to the Department	Progress Report as per item I.2.1		

<b>6.</b>	<b>Project Milestone 6 Stage 1</b>	All elements of Project Milestone 6 are completed to the reasonable satisfaction of the Department.	<b>7 April 2015 Complete</b>	<b>\$4,000,000 Paid</b> (comprising payment of \$3,638,715 in addition to using the \$361,285 Interest held by the State as per Item D.2.2)
6.1	State develops draft Monitoring Strategy outline	Outline of draft Monitoring Strategy provided		
6.2	State develops a draft Strategy for Procurement of Monitoring Systems	Draft Procurement Strategy provided		
6.3	State completes floodplain behaviour investigations for the Namoi and Border Rivers Valley Wide Floodplain Management Plans.	Report on outcomes of the flood behaviour investigation for the Namoi Valley and Border Rivers.		
6.4	States advertises draft Valley Wide Floodplain Management Plan for Gwydir Valley.	Copy of draft Valley Wide Floodplain Management Plan for Gwydir Valley.		
6.5	State endorses draft Upper Namoi Valley wide Floodplain Management Plan for consultation.	Report that endorses Floodplain Management Plan consultation		
6.6	State determines expected draft floodplain harvesting extraction limits and individual volumetric entitlements for the Gwydir Valley.	Statement advising the expected extraction limits and individual volumetric entitlements.		
6.7	State establishes arrangements to implement licensing of floodplain harvesting licences, including the legal framework necessary for licensing to operate.	A Report that demonstrates that these arrangements have been established.		
6.8	State commences to develop processes that enable issuance of floodplain harvesting licences and work approvals in accordance with the WMAct 2000.	Report that demonstrates that these processes have commenced.		
6.9	State completes property inspections and stakeholder consultation in the Border Rivers valley.	Report on outcomes of inspections for the Border Rivers valley.		
6.10	State commences property inspections and stakeholder consultation in the Macquarie River valley.	Report on the status of inspections for the Macquarie River valley.		
6.11	State provides Progress Report to the Department.	Progress Report as per item I.2.1.		

<b>7.</b>	<b>Project Milestone 7 Stage 1</b>	All elements of Project Milestone 7 are completed to the reasonable satisfaction of the Department	29 Nov 2016 <b>Complete</b>	<b>\$1,500,000 Paid</b> (comprising payment of \$1,139,555 in addition to the use of \$360,445 Interest held by the State as per Item D.2.2)
7.1	Valley Wide FMP for first catchment of six commenced.	Valley Wide FMP and enactment notice.		
7.2	Draft VWFMP public exhibition of second catchment of six.	Draft VWFMP and advertisement.		
7.3	Progress Report to the Department.	Progress Report as per item I.2.1.		
<b>8.</b>	<b>Project Milestone 8 Stage 1</b>	All elements of Project Milestone 8 are completed to the reasonable satisfaction of the Department	30 Nov 2016 <b>Complete</b>	<b>\$2,000,000 Paid</b>
8.1	Draft VWFMP public exhibition of third catchment of six.	Draft VWFMP and advertisement.		
8.2	Indicative individual entitlements released to landholders in first catchment of five.	Copy of letters sent to landholders.		
8.3	Progress Report to the Department.	Progress Report as per item I.2.1.		
<b>9.</b>	<b>Project Milestone 9 — Stage 1</b>	All elements of Project Milestone 9 are completed to the reasonable satisfaction of the Department	30 April 2017 <b>Complete</b>	<b>\$2,500,000 Paid</b>
9.1	VWFMP for second catchment of six commenced.	VWFMP and commencement notice.		
9.2	Draft VWFMP public exhibition of fourth catchment of six.	Draft VWFMP and advertisement.		
9.3	Indicative individual entitlements released to landholders in second catchment of five.	Copy of letters sent to landholders.		
9.4	State reports on outcomes for the existing Cap under Schedule E of the Murray-Darling Basin Plan Agreement, the water sharing plans' long term extraction limit, the sustainable diversion limits under the Basin Plan, and the sustainable diversion limit offsets arising from the project	Copy of report provided.		

9.5	Progress Report to the Department.	Progress Report as per item I.2.1		
<b>10.</b>	<b>Project Milestone 10 Stage 1</b>	All elements of Project Milestone 10 are completed to the reasonable satisfaction of the Department	30 April 2019 <b>Complete</b>	<b>\$1,500,000 Paid</b>
10.1	Draft FMP public exhibition for fifth and sixth catchment of six.	Draft FMP and advertisement.		
10.2	FMP for third catchment of six commenced.	FMP and commencement notice.		
10.3	Progress Report to the Department.	Progress Report as per item I.2.1.		
<b>11.</b>	<b>Project Milestone 11 Stage 1.</b>	All elements of Project Milestone 11 are completed to the reasonable satisfaction of the Department.	30 June 2020 <b>Complete</b>	<b>\$4,000,000 Paid</b>
11.1	Commencement of the FMP for valley four and five.	FMP and commencement notices.		
11.2	Progress Report to the Department.	Progress Report as per item I.2.1. The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		
<b>12.</b>	<b>Project Milestone 12 Stage 1.</b>	All elements of Project Milestone 12 are completed to the reasonable satisfaction of the Department.	30 June 2020 <b>Complete</b>	<b>Nil Payment</b>
12.1	Submission of 20 NSW Water Resource Plans to the MDBA.	MDBA confirmation that NSW has submitted its 20 Water Resource Plans on or before the due date and each Water Resource Plan contains all the required elements of such plans and be ready for assessment by the MDBA.		
<b>13.</b>	<b>Project Milestones 13 Stage 1.</b>	All elements of Project Milestone 13 are completed to the reasonable satisfaction of the Department.	28 March 2021 <b>Complete</b>	<b>\$3,000,000 Paid</b>
13.1	Property scale floodplain harvesting modelling results released to individuals for comment valleys one to five.	Copy of letter template sent to landholders.		

13.2	Valley model and environmental benefits reports finalised. Draft Water Sharing Plans rules developed for valley one and two.	Copy of reports. Copy of draft WSP rules.		
13.3	Progress Report to the Department.	Progress Report as per item I.2.1. The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		

C.1.2. The remaining Project Milestones for Stage 1 are provided in the following table, noting the completion of Stage 1 milestones is independent of Stage 2 or Stage 2A milestones provided in C.1.3 and C.1.5.

Project Milestone Number	Project Milestone	Indicator / Evidence	Due Date	Payment Value
<b>14.</b>	<b>Project Milestone 14 Stage 1.</b>	All elements of Project Milestone 14 are completed to the reasonable satisfaction of the Department. -	1 July 2022	\$4,000,000
14.1	Valley model and environmental benefits reports finalised. Draft Water Sharing Plans rules developed for valleys three, four and five.	Copy of the valley reports. Copy of draft WSP rules.		
14.2	Draft entitlements released valleys four and five.	Copy of letter template sent to landholders.		
14.3	Commencement of the FMP for valley six.	FMP and commencement notices.		
14.4	Progress Report to the department	Progress Report as per item I.2.1. The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		
<b>15.</b>	<b>Project Milestone 15 Stage 1.</b>	All elements of Project Milestone 15 are completed to the reasonable satisfaction of the Department.	30 November 2022	\$810,000
15.1	Licensing completed in five valleys	Execution of regulation by NSW to create floodplain harvesting licences for the catchments.  WSP commencement notices for the five valleys.		
15.2	State expands current ICT systems to account for floodplain harvesting measurement.	Report that demonstrates that the floodplain harvesting measurement ICT systems have been established.		

		These systems will align with requirements of the NSW non-urban metering framework and will enable oversight of installation of measurement devices, and collection and storage of accurate data for real-time reporting, accounting and monitoring of floodplain harvesting take.		
15.3	State engages First Nations consultant to facilitate effective engagement with First Nations people of the northern Basin	Report that summarises the outcomes of engagement sessions with First Nations People of the northern Basin on: <ul style="list-style-type: none"> <li>- floodplain harvesting reforms in five northern Basin valleys and</li> <li>- input into to floodplain harvesting cultural outcomes report.</li> </ul>		
15.4	State engages consultancies to develop plans for transitioning the HFP to business as usual for DPIE, WNSW and NRAR.	Report that demonstrates that these transition plans have been developed. including plans for: floodplain management plans, licensing, measurement and ongoing review of data and modelling.  This report will address findings of independent reports that comment on DPIE's ability to transition to NSW policy implementation and ongoing adaptive management.		
15.5	Progress Report to the Department.	Progress Report that summarises all activities completed S1-15.1-S1-15-4. as per item I.2.1.  The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		
<b>16.</b>	<b>Project Milestone 16 Stage 1.</b>	All elements of Project Milestone 16 are completed to the reasonable satisfaction of the Department.	31 December 2022	Up to \$860,000
16.1	Final Report for Stage 1 to the Department.	Final Report for Stage 1 item I.3, including an independent Audit Report as per item I.4. Provision of the Floodplain Harvesting Cultural Outcomes Report.  The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		

C1.3. Project Milestones for completed Stage 2 milestones are provided in the following table.

Project Milestone Number	Project Milestone	Indicator / Evidence	Due Date	Payment
<b>S2-1</b>	<b>Project Milestone S2-1 Stage 2.</b>	Payment on signing of Deed of Variation 5.	28 February 2018 <b>Complete</b>	<b>\$500,000 Paid</b>
<b>S2-2</b>	<b>Project Milestone S2-2 Stage 2.</b>	All elements of Project Milestones S2-2 are completed to the reasonable satisfaction of the Department.	31 December 2018 <b>Complete</b>	<b>\$250,000 Paid</b>
S2-2.1	State develops Communication Strategy for Stage 2.	Copy of Communication Strategy.		
S2-2.2	State develops draft Hotspot Strategy.	Copy of draft Hotspot Strategy.		
S2-2.3	State develops draft Floodplain Harvesting Measurement Policy for consultation.	Copy of draft Floodplain Harvesting Measurement Policy (Floodplain Monitoring and Auditing Strategy) and advertising.		
S2-2.4	State provides Progress Report to the Department.	Progress Report as per item I.2.1.		
<b>S2.3</b>	<b>Project Milestone S2-3 Stage 2</b>	All elements of Project Milestones S2-3 are completed to the reasonable satisfaction of the Department	16 April 2019 <b>Complete</b>	<b>\$191,400 Paid</b> (using \$191,400 interest held by the State as per Item D.2.2)
S2-3.1	Decision Point: Business case for remedial works based on outcomes of Hotspot Audit.	Copy of correspondence outlining the discussion and agreement between parties to determine whether or not to progress to development of the Business case for remedial works.		
<b>S2-4</b>	<b>Project Milestone S2-4 Stage 2.</b>	All elements of Project Milestones S2.4 are completed to the reasonable satisfaction of the Department.	15 April 2020 <b>Complete</b>	<b>\$120,000 Paid</b>
S2-4.1	State finalises Hotspots Strategy including desktop hotspot prioritisation.	Copy of final strategy and prioritisation.		
S2-4.2	State finalises Business Case for Hotspot remediation (Subject to S2-3.1).	Provision of the final Business Case to the Department.		
S2-4.3	State provides Progress Report to the Department.	Progress Report as per item I.2.1.		
<b>S2-5</b>	<b>Project Milestone S2-5 Stage 2.</b>	All elements of Project Milestones S2.5 are completed to the reasonable satisfaction of the Department	30 June 2020 <b>Complete</b>	<b>Up to \$644,520 Paid</b> (\$626,306 by using \$18,214 interest held by the State as per Item D.2.2)

S2-5.1	State finalises NSW Floodplain Harvesting Measurement Policy.	Copy of final policy submitted to the Department.		
S2.5-2	State provides Progress Report to the Department.	Progress Report as per item I.2.1.		

C.1.4 Following completion of the due diligence assessment by the Commonwealth of the business case titled 'Accelerated Compliance Program for unapproved flood works' the Department agreed that \$10.196 million of Project funding be allocated to Stage 2 to undertake compliance activities (to be known as 2A - Improving Floodplain Connections).

C.1.5 The Project Milestones for Stage 2A are provided in the following table.

Project Milestone Number	Project Milestone	Indicator / Evidence	Due Date	Payment
<b>2A-1</b>	<b>Project Milestone 1 Stage 2A.</b>	<b>All elements of Project Milestone 2A.1 are completed to the reasonable satisfaction of the Department.</b>	15 May 2022	\$2,300,000
2A-1.1	State develops a Governance Structure for Stage 2A and develops a Program Plan for accelerated compliance which incorporates B.3.10.	Copy of Governance Structure Copy of Program Plan		
2A-1.2	State develops a Communication and Engagement Plan.	Copy of Communication and Engagement Plan		
2A-1.3	State develops a Monitoring Evaluation Reporting and Improvement (MERI) framework which includes on-going monitoring post-completion of the project in June 2024	Copy of the MERI Framework		
2A-1.4	State provides Progress Report to the Department.	Progress Report as per item 2.1. The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		
<b>2A.2</b>	<b>Project Milestone S2A-2.1 Stage 2A</b>	<b>All elements of Project Milestones 2A-2 are completed to the reasonable satisfaction of the Department</b>	31 October 2022	\$2,500,000
2A-2.1	State completes a review including revised cost benefit analysis (CBA); review of 110 identified hotspots and likely remediation.	Copy of the outcomes of the Hotspots review and a copy of revised CBA		
2A-2.2	State provides Progress Report to the Department.	Progress Report as per item I.2.1. The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		

<b>2A.3</b>	<b>Project Milestone S2A-3.1 Stage 2A</b>	<b>All elements of Project Milestones S2A-3 are completed to the reasonable satisfaction of the Department</b>	15 May 2023	\$2,000,000
2A-3.1	State (including partnering agencies) complete all draft assessments) including functional design.	Report including field assessment outcomes and draft functional design plans to undertake remedial work.		
2A-3.2	State provides Progress Report to the Department.	Progress Report as per item I.2.1. The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		
<b>2A.4</b>	<b>Project Milestone S2A-4.1 Stage 2A</b>	<b>All elements of Project Milestones S2A-4 are completed to the reasonable satisfaction of the Department</b>	31 December 2023	\$3,300,000
2A-4.1	State completes final assessments and functional design	Report that includes the final assessments and functional design.		
2A-4.2	State provides Progress Report to the Department.	Progress Report as per item I.2.1. The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		
<b>2A.5</b>	<b>Project Milestone S2A-5.1 Stage 2A</b>	<b>All elements of Project Milestones S2A-5 are completed to the reasonable satisfaction of the Department</b>	15 May 2024	Up to \$96,336
2A-5.1	State completes a Program evaluation and final report.	Final Report for Stage 2 of the Project as per item I.3, including an independent Audit Report as per item I.4.  An evaluation report that examines expenditures and outcomes and a full acquittal of all project funds for Stage 2 and 2A of the project; and a final report .  The State's provision of an invoice for this payment of Funds and the Department's acceptance of that invoice.		

## D. Project Cost

### D.1.1. Project Cost for the Priority Project. The Project cost for this Priority Project is set out in the following table:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Forecast)	(Forecast)	(Forecast)	
<b>Commonwealth Funding</b>													
<b>Stage 1</b>													
Project Management	66,009	478,056	419,182	377,501	485,791	550,097	832,473	690,252	1,192,359				5,091,720
Stakeholder Engagement								262,381	123,131				385,512
Preparation of Valley Wide Floodplain Management Plans & WS Plans	1,506,000	5,259,190	3,108,370	1,052,508	1,310,107	1,537,564	1,195,725	1,511,898	788,248				17,269,610
Implementing Floodplain Harvesting Licences	420,207	2,399,708	2,786,758	1,348,040	1,185,852	2,261,811	1,937,204	2,349,266	2,765,372	153,107			17,607,325
Measurement		5,944	7,175		10,722	13,881			1,924,738	300,000			2,262,460
Associated consultancies	49,000	265,475	42,333		25,600	8,050	67,253	456,443	1,409,219	70,000			2,393,373
	2,041,216	8,408,373	6,363,818	2,778,049	3,018,072	4,371,403	4,032,655	5,270,240	8,203,067	523,107			45,010,000
<b>Stage 2</b>													
Project Management						19,860	74,657						
Floodplain Harvesting Measurement Policy							54,776	673,339					
Hotspots Strategy and Desktop Prioritisation						192,800	380,052	50,247					
Communications Strategy						6,057	153,882						
Business Case Development							100,250						
						218,717	763,617	723,586					1,705,920
<b>Stage 2A</b>													
Project Management 2A Stage 1										2,300,000	4,500,000	3,396,336	10,196,336
										2,300,000	4,500,000	3,396,336	10,196,336
<b>Total Commonwealth Funding</b>	2,041,216	8,408,373	6,363,818	2,778,049	3,018,072	4,590,120	4,796,272	5,993,826	8,203,067	2,823,107	4,500,000	3,396,336	56,912,256

**NSW In-Kind Contribution**

(Stage 1) Target	415,000	650,000	825,000	930,000	1,100,000	800,000	276,110	625,310	
(Stage 2) Target						6,030	100,154	144,831	
(Stage 2A) Target									1,019,634

	415,000	650,000	825,000	930,000	1,100,000	806,030	376,264	770,141	1,019,634*
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<b>Total Project Funding</b>	2,456,216	9,058,373	7,188,818	3,708,049	4,118,072	5,396,150	5,172,536	6,763,967	8203,067	3,842,741	4,500,000	3,396,336	63,804,335*
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\* Does not include in-kind contributions for future projects. To be determined once funds are allocated.

## D.2. Contributions to Priority Project

D.2.1. The Contribution Components for the Priority Project are set out in the following table:

<b>Contribution</b>	<b>Maximum Contribution \$ (GST exclusive)</b>
Commonwealth Funding	\$45,010,000 for Stage 1 \$1,705,920 for Stage 2 \$10,196,336 for Stage 2 (known as Stage 2A)
State Contributions to Project Cost	\$5,621,420 for Stage 1 \$251,015 for Stage 2 \$1,019,634 for Stage 2A

D.2.2. Pursuant to clause 6.1.9.c of the Agreement, the Commonwealth has reduced the amount of Funds that remain payable under this Priority Project by interest earned by the State on Funds the Commonwealth has paid under this Priority Project.

D.2.3. The reduction in Funds payable under the Agreement have been adjusted as follows:

<b>Milestone</b>	<b>Amount due</b>	<b>Offset Amount</b>	<b>Amount paid</b>	<b>Payment/Offset Date</b>
S1-6	\$4,000,000	-\$361,285	\$3,638,715	8 June 2015
S1-7	\$1,500,000	-\$360,445	\$1,139,555	7 February 2017
,S2-3	\$191,400	-\$191,400	\$0.00	16 April 2019
S2-5	\$644,520	-\$18,214	\$626,306	7 October 2020

D.2.4. Pursuant to clause 6.3.1e of the Agreement, Funds payable under this Priority Project may be reduced to reflect unused Funding from another Priority Project under this Agreement.

D.2.5. When the final milestone for Stage 1 has been completed and payment processed, the unspent Funds, if any, are to be reallocated to Stage 2 of the Priority Project.

## D.3. Contingency amounts contained in the Project Cost

D.3.1. The total contingency amount of \$810,000 for Stage 1 has been allocated to existing budget lines to extend activities including Stakeholder engagement; implementing floodplain harvesting licences; and measurement purchase and installation.

D.3.2. The State understands that the allocation of total contingency amount of \$810,000 requires the State to meet any additional Project Costs as specified in Item D.1.1.

D.3.3. In the final report for Stage 1 at Project milestone S1-16, the State is required to report on any contingency amount it has expended and for what purpose the contingency was used.

D.3.4. Once the Commonwealth is satisfied with the evidence provided by the State in relation to the expenditure of the contingency amount, the Commonwealth will reimburse the State for the contingency amount, up to the maximum contingency amount in Item D.3.1.

D.3.5. The Commonwealth approval to pay contingency Funds will not be unreasonably withheld.

#### **D.4. State Contributions**

- D.4.1. The State agrees to provide its State Contribution in accordance with D.2.1.
- D.4.2. The State agrees that any Priority Project costs in excess of the Project Cost specified in Item D.1 must be met by the State.

#### **E. Transfer of Water Entitlements**

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- E.1.1. Not required

#### **F. Sharing Actual Water Savings additional to Agreed Water Savings**

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- F.1.1. Not Required

#### **G. Agreement Material and Existing Material relating to the Priority Project**

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##### **a. Agreement Material**

- i. None Specified

##### **b. Existing Material**

- E.1.1. None Specified

#### **H. Indemnity**

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- H.1.1. Notwithstanding any other provision of this Agreement, the State agrees to indemnify, and keep indemnified, the Commonwealth against any cost, liability, loss, or expense incurred by the Commonwealth:
  - a. in rectifying any environmental damage; or
  - b. in dealing with any third party (including Commonwealth Personnel) claims against the Commonwealth, which includes without limitation the Commonwealth's legal costs and expenses on a solicitor/own client basis and the cost of time spent, resources used and disbursements paid by the Commonwealth; arising from any act or omission by State or its Personnel in connection with the Priority Project specified in this Project Schedule.
- H.1.2. The State's liability to indemnify the Commonwealth under this Item H will be reduced proportionally to the extent that any fault on the Commonwealth's part contributed to the relevant cost, liability, loss, or expense. In this Item H.1.2 'fault' means any reckless, negligent, or unlawful act or omission or wilful misconduct.
- H.1.3. The right of the Commonwealth to be indemnified in this Item is in addition to, and not exclusive of, any right, power or remedy provided to the Commonwealth by law, but the Commonwealth is not entitled to be compensated in excess of the relevant cost, liability, loss or expense.

#### **I. Project Reports**

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##### **I.1. Project Reports**

- I.1.1. Further to clause 8 and Schedule 4 of the Agreement, the State agrees to provide the Commonwealth with all the Reports detailed, and at the times outlined, in Item C.1.1, C.1.2, C.1.3 and C.1.5.

##### **I.2. Progress Reports**

- I.2.1. Each Progress Report must demonstrate evidence of project management and contract management activities, progress and performance of the Priority Project, and financial

management, and must contain the following information:

- a. a description of actual performance of the Priority Project to date against the aim of the Priority Project (as specified in this Project Schedule), including information and evidence to demonstrate the State's completion of the Project Milestones (as specified in Item C.1.1, C.1.2, C.1.3 and C.1.5 of this Project Schedule) that were due for completion during the period that is the subject of this Progress Report (Period);
- b. a description of the activities, if any, undertaken for the Priority Project to date;
- c. an income and expenditure Statement of the Funding to date against the Project Cost in Item D.1.1;
- d. an estimate of the interest earned by the State to date on the Funds provided for the Priority Project;
- e. promotional activities undertaken in relation to, and media coverage of, the Priority Project during the Period and those proposed activities during the next Period; and
- f. any other items that are agreed by the State and the Commonwealth to be included in the Progress Report.

### **I.3. Final Project Report**

- I.3.1. The final Project Report will be a stand-alone document that can be used for public information dissemination purposes regarding this Priority Project.
- I.3.2. The final Project Reports for Stages 1 and 2 of the Priority Project are due at the latest of:
  - a. Milestone S1-16-2 as set out in Item C.1 (Stage 1);
  - b. Milestone S2A.5 as set out in Item C.1.5 (Stage 2A); and
  - c. three months after the termination of this Project Schedule or the Priority Project; or
  - d. 30 June 2024.
- I.3.3. The final Project Report will contain information that:
  - a. describes the conduct, benefits, and outcomes of the Priority Project as a whole;
  - b. evaluates the Priority Project, including assessing the extent to which the outcomes of the Priority Project have been achieved and explaining why any aspect of the Priority Project was not achieved;
  - c. provides detailed financial information regarding the total Project Cost, Funding and State Contributions for the Priority Project;
  - d. summarises all promotional activities undertaken in relation to, and media coverage of, the Priority Project;
  - e. any relevant spatial data generated by the Priority Project consistent with the format of the Bureau of Meteorology's Geofabric Project;
  - f. includes a discussion of any other matters, relating to the Priority Project, which the Department notifies the State should be included in this final Project Report at least 40 Business Days before it is due: and
  - g. any other items that are agreed by the State and the Commonwealth will be included in the Final Report.
- I.3.4. The final Project Report should be accompanied by a certified income and expenditure Statement signed by a delegated officer of NSW Department of Primary Industries Water that clearly identifies:

- a. the amount of interest earned by the State on the Funding;
- b. confirmation that all Funding paid to the State (including any interest earned by the State on the Funds and approved for expenditure on this Priority Project by the Commonwealth) was spent by the State in accordance with this Project Schedule;
- c. any financial or in-kind State Contributions;
- d. any Other Contributions that were provided for the Priority Project;
- e. any cost savings or cost overruns for the Priority Project; and
- f. advice on the amount of any Funds paid to the State that is to be returned by the State to the Commonwealth.

#### **I.4. Independent Audit Report**

- I.4.1 Annual audited financial Reports from an independent auditor are to be provided for the Priority Project as specified in Schedule 4, Item C of the Agreement.

#### **J. Payment Schedule for Funding for Priority Project**

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- J.2.1. The maximum Funding payable by the Commonwealth to the State in respect of this Priority Project is **\$56,912,256** (GST exclusive).
- J.2.2. Subject to the terms of this Project Schedule and clauses 6 and 17 of the Agreement, the Funding will be paid in instalments, and on the completion of the Payment Preconditions, set out in Item C. Each such payment of Funds is due within 30 Business Days after the date that the State is assessed as having completed all of the Payment Preconditions relating to that payment and has provided the Department with an invoice for payment of Funds.
- J.2.3. The Payment Preconditions for a payment of Funds under this Project Schedule are completion of the Project Milestones at Item C.
- J.2.4. Each Payment also has the Payment Precondition that all preceding Project Milestones have been achieved.

#### **K. Contact Officer**

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- K.2.1. The nominated Contact Officers for this project are:
  - a. For the Commonwealth, the Director, Healthy Rivers - Northern, the Department of Agriculture, Water and the Environment, 18 Marcus Clarke St, Canberra City, ACT 2601, Ph: 02 6271 6481;
  - b. For New South Wales, Director, NSW Healthy Floodplains Project, DPIE Water, Level 2, 6 Stewart Avenue, Newcastle West, NSW 2302, Ph: 0459 849 558.
- K.2.2. Either party signatory to this Schedule may change its Contact Officer at any time by notice in writing to the other Party.