

DEED OF VARIATION

Third Deed of Variation to the Project
Schedule for the Australian Capital
Territory Priority Project: Improving
Long Term Water Quality in the ACT
and Murrumbidgee River System

(ACT Healthy Waterways)

Commonwealth of Australia as represented by
the Department of Agriculture and Water
Resources ABN 24 113 085 695
(Commonwealth)

The Australian Capital Territory, the body politic
established by section 7 of the Australian Capital
Territory (Self-Government) Act 1988 (Cth)
represented by the Environment, Planning and
Sustainable Development Directorate
ABN 31 432 729 493
(State)

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Details

Parties

1. Commonwealth of Australia as represented by the **Department of Agriculture and Water Resources** ABN 24 113 085 695 of 18 Marcus Clarke Street, Canberra City ACT 2601, Australia (**Commonwealth**).
2. **AUSTRALIAN CAPITAL TERRITORY**, the body politic established by section 7 of the *Australian Capital Territory (Self-Government) Act 1988* (Cth) represented by the Environment, Planning and Sustainable Development Directorate ABN 31 432 729 493 of 16 Challis Street, Dickson, ACT 2602 (**State**).

Recitals

- A. The Commonwealth of Australia and the State are parties to a Water Management Partnership Agreement dated 11 January 2010 (**Agreement**).
- B. In accordance with clauses 5.1.1.b and 16.2.1 of the Agreement, the Commonwealth and the State are parties to the *Australian Capital Territory Priority Project: Improving Long Term Water Quality in the ACT and Murrumbidgee River System Project Schedule* dated 25 February 2014 (**Original Project Schedule**), thereby incorporating the Project Schedule into the Agreement.
- C. The Commonwealth and the State varied the Original Project Schedule on 20 April 2017 (First Variation) and 18 April 2018 (Second Variation).
- D. The parties have agreed to further amend the terms of the Original Project Schedule and First Variation as amended by the Second Variation (together comprising the **Project Schedule**) in accordance with this deed of variation.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this deed, except where the context otherwise requires, defined terms have the same meaning as given to them in the Agreement.

1.2 Interpretation

In this deed, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or attachment is to a clause or paragraph of, or schedule or attachment to, this deed, and a reference to this deed includes any schedule or attachment;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to AUD, A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to the local time in Canberra, Australia;
- (g) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) headings are for ease of reference only and do not affect interpretation;
- (j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (k) a word or expression defined in the *Corporations Act 2001* (Cth) has the meaning given to it in the *Corporations Act 2001* (Cth);
- (l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (m) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally; and
- (o) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it.

2. Variation to Agreement

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

Replacing the “*Australian Capital Territory Priority Project: Improving Long Term Water Quality in the ACT and Murrumbidgee River System (ACT Healthy Waterways) to the Australian Capital Territory and Commonwealth Water Management Partnership Agreement*”, Second Variation, dated 18 April 2018, with the Project Schedule as set out in Attachment A to this deed.

3. Payment acknowledgement

The parties acknowledge that the amount of [REDACTED] (GST exclusive) has already been paid to the State as part of the Funds payable under the Agreement.

4. Continued force and effect of Agreement

The Agreement continues in full force and effect, as amended by this deed.

5. Miscellaneous

5.1 Counterparts

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

5.2 Governing law and jurisdiction

This deed is governed by the law of the Australian Capital Territory and each party irrevocably submits to the non-exclusive jurisdiction of the courts of the Australian Capital Territory.

5.3 Date of effect

The date of this deed will be on and from the date that the Commonwealth signs the deed.

Execution page

Executed as a deed

SIGNED SEALED AND DELIVERED for and on behalf of the Commonwealth of Australia as represented by the **Department of Agriculture and Water Resources** by a duly authorised representative

Paul Morris

Name of authorised representative (print)

[Signed]

Signature of authorised representative

15 April 2019

Date

Kelly Lolesio

Name of witness (print)

[Signed]

Signature of witness

15 April 2019

Date

SIGNED SEALED AND DELIVERED for and on behalf of the **Australian Capital Territory** by:

Benjamin Ponton

Name of signatory (print)

[Signed]

Signature

10 April 2019

Date

Laura Marcantonio

Name of witness (print)

[Signed]

Signature of witness

10 April 2019

Date

ATTACHMENT A

Attachment A to Third Deed of Variation

Australian Capital Territory Priority Project:
Improving Long Term Water Quality in the ACT
and Murrumbidgee River System (ACT Healthy
Waterways) to the Australian Capital Territory
and Commonwealth Water Management
Partnership Agreement

PROJECT SCHEDULE - ACT HEALTHY WATERWAYS

A. Terminology used in this Project Schedule

- 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 the Australian Capital Territory (State) 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. Annual Workplan: means a document that states what activities will be undertaken to achieved identified outputs, deliverables and outcomes. item B.5 outlines the minimum requirements of an Annual Workplan under this Project Schedule;
 - c. Business Case: means the document *Improving Long Term Water Quality in the ACT and the Murrumbidgee River System* (December 2013), the *Supplementary Report to the ACT Basin Priority Project Business Case - Improving Long Term Water Quality in the ACT and the Murrumbidgee River System* (February 2016) and the State's responses (April 2016) to the Draft Due Diligence Reports submitted to the Commonwealth under clause 5.1.2.c of the Agreement; as adjusted by the final Due Diligence Report. Where there is a conflict between these documents, the last of these documents submitted to the Commonwealth will prevail to the extent of any inconsistency;
 - d. Business Case Information Requirements: means the criteria set out in Schedule E of the IGA;
 - e. Corresponding WHS Law: has the meaning given in section 4 of the WHS Act;
 - f. Department: means the Commonwealth Department of Agriculture and Water Resources ABN 24 113 085 695 or other department or agency that has from time to time responsibility for this Agreement, and includes its Personnel and successors;
 - g. Due Diligence Report: means the Department of the Environment report titled *Commonwealth Due Diligence Assessment of the Business Case for the Australian Capital Territory State Priority Project* (December 2013) and the Department of Agriculture and Water Resources report titled *Improving Long Term Water Quality in the ACT and the Murrumbidgee River System Final Due Diligence Assessment of the Supplementary Report to the ACT Basin Priority Business Case* (April 2016);
 - h. Evaluation Period: means the period specified in item B.1.10;
 - i. IGA: Intergovernmental Agreement on Murray-Darling Basin Reform (dated 3 July 2008);
 - j. Priority Catchments: the six catchments identified at item B.1.4 as the priority catchments which will be the focus of the project;

- k. Project Charter: means the document specified in item B.4 of this Project Schedule;
- l. State: means the Australian Capital Territory as defined as a Basin State in the IGA;
- m. Steering Committee: the committee which is referred to at B.3.1.d;
- n. Supplementary Report: State's *Supplementary Report to the ACT Basin Priority Project Business Case - Improving Long Term Water Quality in the ACT and the Murrumbidgee River System* (February 2016); and
- o. WHS Act: means the *Work Health and Safety Act 2011* (Commonwealth);
- p. WHS Law: means the WHS Act, WHS Regulations and any Corresponding WHS Law;
- q. WHS Regulations: means the regulations under the WHS Act; and
- r. Works: means any part of this Priority Project that comprises construction and building activities.

B. ACT State Priority Project (ACT Healthy Waterways)

B.1. Summary and duration of the Priority Project

- B.1.1. In the IGA, the Commonwealth agreed in-principle to provide funding of up to \$85 million for a State Priority Project satisfying the Commonwealth's Due Diligence and compliance with the Commonwealth's Business Case Information Requirements and the Agreement.
- B.1.2. Both parties acknowledge that the Commonwealth has previously provided under separate funding agreements \$828,878 to the State for development of two separate Priority Project business cases. Total Funding of up to \$84,171,122 (excluding GST) is available in principle for this Priority Project.
- B.1.3. The State will conduct the Project in two phases:
 - a. phase one of the Priority Project, as set out at item C.1.2, consists of implementing a comprehensive State-wide water quality monitoring program with a focus on the six Priority Catchments, including associated monitoring infrastructure, with further data analysis and modelling to provide evidence to underpin phase two of the Priority Project; and
 - b. phase two, as set out at item C.1.6, includes construction of agreed infrastructure Works, commencement of ongoing governance arrangements for improved catchment management as determined by the State and implementation of long-term monitoring to gauge the efficacy of the new infrastructure and catchment management arrangements.
- B.1.4. The six Priority Catchments are:
 - a. Yarralumla Creek;
 - b. Lake Tuggeranong;
 - c. Upper Molonglo;
 - d. Fyshwick;
 - e. Lower Molonglo; and
 - f. Riverview (west Belconnen).

- B.1.5. A maximum possible amount of [REDACTED] was available in principle for phase one and a maximum possible amount of [REDACTED] in principle for phase two.
- B.1.6. Commonwealth funding for phase two is contingent, as outlined in item C.1.3, on Commonwealth approval of the proposals set out in the Supplementary Report to the Priority Project Business Case and approval of the Commonwealth Minister to proceed to phase two.
- B.1.7. Phase one of the Priority Project includes:
- a. implementation and establishment of a comprehensive State-wide water quality monitoring program and associated project management and governance arrangements with a focus on the Priority Catchments;
 - b. detailed analysis of collected data so that the full extent and detail of water quality issues in and around the State can be determined, to facilitate the optimum approach to investments in treatment infrastructure in the Priority Catchments;
 - c. provision of the a Supplementary Report to the project Business Case for Commonwealth assessment and review, proposing infrastructure Works in each Priority Catchment to be undertaken in phase two. This will be supported by the evidence gained through phase one (including comprehensive water quality modelling and the assessment (including costs and benefits) of infrastructure options; and
 - d. establishment of inter-jurisdictional arrangements where required.
- B.1.8. Phase two of the Priority Project includes:
- a. the design, construction and commissioning of agreed infrastructure Works, including Isabella Pond wetlands as an ACT contribution, to improve water quality outcomes in the Priority Catchments. Agreed infrastructure Works and locations are defined through the Business Case as modified by the Due Diligence Assessment, or through any subsequent agreement between Parties;
 - b. implementation of the comprehensive State-wide water quality monitoring program and preliminary analysis of the collected data. To facilitate this program, water quality and flow monitoring will be built into representative assets types during construction. The State-wide water quality monitoring program must be designed be able to determine whether or not the asset performs in accordance with the MUSIC model used in its design, and its efficacy in reducing pollutants over the life of the asset. At a catchment level State-wide water quality monitoring program data and analysis must be suitable to inform a catchment wide model to identify pollutant generation and transport within the State, and from the State to the Murray-Darling Basin;
 - c. establishment and/or maintenance of intra and inter-jurisdictional governance arrangements that support the ACT Healthy Waterway Priority Project and the effective water quality management in the State and regions, with a focus on the Priority Catchments. This includes the development of an Australian Capital Territory and Region Catchment Management Strategy that sets out principles for governance and the key influences that will affect the catchment over the next 25 to 30 years;

- d. development and implementation of a communication and engagement strategy, with a focus on increasing community awareness and engagement in water quality issues in the State and regions, and support for activities under the ACT Healthy Waterways Priority Project. This includes a complementary education and public awareness program to support and encourage behavioural change in the community on actions individuals can do to improve water quality; and
- e. in-lake research aimed at improving the understanding of water treatment options for large urban waterbodies. This includes research at Lake Tuggeranong to clarify the major sources and timing of in-lake pollutant release followed by specific management action trials and research on the impact of wetting and drying regimes on water quality at ACT urban ponds.

B.1.9. This Priority Project commenced on 25 February 2014, and it must be completed by 30 June 2021.

B.1.10. The Evaluation Period is from 25 February 2014 to 30 June 2021.

B.2. Aim of the ACT Healthy Waterways – Basin Project

B.2.1. The Priority Project aims to address a number of the objectives contained in clauses 1.1.2-1.1.4 of the Agreement, specifically addressing water quality issues both within the State and water exiting the State into the Murray-Darling Basin for use downstream by other communities, restoration of river health, adaptation to climate change, and value for money.

B.2.2. The project will contribute to these overall objectives by contributing to one or more of the following outcomes:

- a. improved water quality in waterways in the six Priority Catchments, lakes and the Murrumbidgee River;
- b. ecological health, including ecological resilience to climate change in an environment of reduced water availability, is improved through the establishment or restoration of wetland ecosystems in waterways in the six Priority Catchments;
- c. knowledge and understanding of water quality and waterways within the project area is increased and widely disseminated;
- d. local communities that depend on quality water in the project area are informed and supported with a view to increasing their capacity, action and resilience on water quality issues in the State; and
- e. water quality management in the project area is improved through the establishment and/or support of effective inter and intra-jurisdictional water quality planning and governance arrangements.

B.3. Priority Project requirements

B.3.1. The State agrees that:

- a. the Priority Project will be completed in accordance with the parts of the Business Case approved by the Commonwealth Minister, as described in the Due Diligence Report and modified by engineering specifications that does not adversely impact on the Commonwealth's Due Diligence requirements;

- b. it is responsible for meeting the Project Milestones specified in this Project Schedule;
- c. it is responsible for ensuring the proper and efficient conduct of this Priority Project, in accordance with this Project Schedule;
- d. it will ensure that all elements of the project governance structure outlined in the Business Case and Project Charter are fully established with the associated arrangements. This will include a Steering Committee with Commonwealth and State representation tasked with ensuring that project funds are used in accordance with the project plan;
- e. it 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;
- f. it will comply, and ensure that its subcontractors comply, with all applicable requirements of the Code for the Tendering and Performance of Building Work 2016;
- g. it must, in carrying out its obligations under this Agreement, comply and use reasonable endeavours to ensure that its subcontractors complies, with the provisions of all relevant statutes, regulations, by-laws and requirements of any Commonwealth, State, Territory or local authority including those arising under a WHS Law in respect of work health and safety;
- h. it will ensure the requirements of the WHS Accreditation Scheme under section 43 of the Building and Construction Industry (Improving Productivity) Act 2016 (Commonwealth), and the Office of the Federal Safety Commissioner, are met;
- i. it 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);
- j. if requested, the State 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; and
- k. as Funding is based on the Commonwealth's Due Diligence Report, the acceptance of Funding represents the shared understanding of the Business Case, as outlined in the Due Diligence Report.

B.3.2. In delivering the Priority Project, the State agrees to the following conditions of Funding:

- a. the State is responsible for ensuring that the Funding is spent for the purposes of the Priority Project in accordance with the Project Cost as in item D.1.1 and in accordance with this Project Schedule;
- b. 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:
 - i. regarding the development of the Project Schedule;

- ii. 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
 - iii. 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
- c. 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 written approval of the Commonwealth will be obtained for the use of any interest on the Priority Project.

B.3.3. State acknowledges that it, and not the Commonwealth, is responsible for managing and performing this Priority Project and that the Commonwealth has no responsibility for performing any aspect of this Priority Project, other than undertaking its approval role (as specified elsewhere in this schedule or the Project Charter), payment of milestones (when milestone criteria are met to satisfaction of the Commonwealth) and participation in governance groups and meetings as required.

B.4. Priority Project Charter

B.4.1. A Project Charter for this Priority Project will be agreed and signed between the Commonwealth and the State within 60 Business Days of signing of the Project Schedule first deed of variation.

B.4.2. The intent of the Project Charter is to facilitate the parties' working relationship and provide operational guidelines for this Priority Project.

B.4.3. The parties agree that the Project Charter may be amended by the written agreement (including an exchange of letters or emails) of:

- a. the Assistant Secretary responsible for the Commonwealth's management of this Project Schedule currently the Assistant Secretary Sustainable Water Branch, Department of Agriculture and Water Resources; and
- b. the Director-General, or their delegate responsible for the State's management of this Project Schedule, currently the Director-General of the Environment, Planning and Sustainable Development Directorate.

B.4.4. For the avoidance of doubt, if there is any inconsistency between the Project Charter and this Project Schedule, the Project Schedule prevails to the extent of the inconsistency.

B.4.5. The Project Charter does not form part of this Project Schedule.

B.5. Annual Workplans

B.5.1. The State is required to prepare Annual Workplans for Activities, to be used as the basis for progress reporting outlined in item I.2 for the project period, which together will cover the period from 30 July 2016 to the end of the Priority Project as outlined in item B.1.9.

- B.5.2. The Annual Workplans at a minimum must include:
- a. a description of how the work is to achieve the Priority Project aims and outcomes specified in items B.2.1 and B.2.2;
 - b. outputs for the reporting period that contribute to the achievement of the Priority Project deliverables specified in item B.1.7 and B.1.8;
 - c. detailed budget for the relevant year that complies with the relevant Activities;
 - d. indicative budget for the out years as per the project budget lines outlined in item D.1.1;
 - e. financial reporting template that meets the requirements of items I.2.1.d and I.2.1.e based on a template that will be provided in the Project Charter; and
 - f. an overview that provides certainty that the timing of planned Activities for the relevant financial year contributes to both Activities achieved to date and for the out years for the project.
- B.5.3. Annual Workplans for the purposes of this Project Schedule must be approved by the Commonwealth.
- B.5.4. The State agrees to provide to the Annual Workplans for the relevant Management Actions by 30 April of each year for the work to be undertaken in the following financial year.
- B.5.5. The Commonwealth agrees to consider the Annual Workplan and provide the State with a response to the Annual Workplan within 20 Business Days of the receipt of the Annual Workplan.
- B.5.6. For the avoidance of doubt, if there is any inconsistency between an Annual Workplan and this Project Schedule, the Project Schedule prevails to the extent of the inconsistency.

C. Project Milestones

C.1.1. The Milestones for this Project are set out in the tables at item C.1.2 and C.1.6.

C.1.2. Phase one

Project Milestone Number	Project Milestone	Completion Date for Project Milestone	Evidence of Completed Project Milestone or Performance Measure
1	Signing of the Project Schedule	Date of Execution of Agreement	Signed Project Schedule.
2	Project plan and detailed project budget	28 March 2014	A detailed project plan for phase one. A revised project budget plan for the whole project.
3	Project Governance, Project scoping and procurement commenced	2 May 2014	Establishment of the project governance structure as outlined in Chapter 11 of Improving Long Term Water Quality in the

			<p>ACT and the Murrumbidgee River System (December 2013).</p> <p>Scoping paper for the overall project and the works to be conducted in each Priority Catchment, design of the proposed monitoring framework and procurement process commenced for monitoring equipment, installation and data collection and analysis.</p> <p>Provision of a Progress Report consistent with item 1.2 of this Project Schedule to the satisfaction of the Department.</p>
4	Implementation of monitoring framework commenced	29 August 2014	<p>Contracts awarded and implementation of monitoring network commenced.</p> <p>Provision of a Progress Report consistent with item 1.2 of this Project Schedule to the satisfaction of the Department.</p>
5	Progress Report	14 November 2014	<p>Monitoring framework installed and operating. Provision of a Progress Report consistent with item 1.2 of this Project Schedule including a Report on the operation of the project governance structure, progress on the operation of the monitoring framework, and data gathering and analysis of data from each Priority Catchment/sub-catchment to the satisfaction of the Department.</p>
6	Progress Report	15 May 2015	<p>Provision of a Progress Report consistent with item 1.2 of this Project Schedule, including a Report on the operation of the project governance structure, progress on the operation of the monitoring framework, and data gathering and analysis of data from each Priority Catchment/sub-catchment to the satisfaction of the Department.</p>

7	Progress Report	20 October 2015	Provision of a Progress Report consistent with item I.2 of this Project Schedule, including a Report on the operation of the project governance structure, progress on the operation of the monitoring framework, and data gathering and analysis of data from each Priority Catchment/sub-catchment to the satisfaction of the Department.
8	Draft outline of Supplementary Report to the project Business Case.	3 December 2015	Provision to the Department a draft outline of the Supplementary Report to the project Business Case, based on the data analysis to date describing infrastructure options, including their cost and benefits, to address the water quality issues within the Priority Catchments and recommending remedial actions
9a	Steering Committee Advice	12 February 2016	Provision to the Steering Committee of a draft Supplementary Report to the project Business Case, based on the data analysis from phase one, describing infrastructure options, including their cost and benefits, to address the water quality issues within the Priority Catchments and recommending remedial actions.
9b	Final Supplementary Report to the project Business Case	26 February 2016	Provision of the final Supplementary Report to the project Business Case to the Commonwealth for assessment and review. Provision of a Progress Report in accordance with item I.2 of this Project Schedule to the satisfaction of the Department.

- C.1.3. Funding for phase two is contingent on Commonwealth approval of the proposals set out in the final Supplementary Report to the project Business Case provided in Milestone 9b, and approval of the Commonwealth Minister to proceed to phase two.
- C.1.4. The Commonwealth finalised the due diligence assessment of the final Supplementary Report to the project Business Case, as presented in *Improving Long Term Water Quality in the ACT and the Murrumbidgee River System Final Due Diligence Assessment of the Supplementary Report to the ACT Basin Priority Business Case (April 2016)*; finding the Priority Project viable.
- C.1.5. Approval by the Commonwealth Minister to proceed to phase two was provided on 3 May 2016. The phase two milestone schedule is set out in item C.1.6.

C.1.6. Phase two

Project Milestone Number	Project Milestone	Completion Date for Project Milestone	Evidence of Completed Project Milestone or Performance Measure
10	Agreement between the parties to proceed with phase two and project planning	2 May 2016	<p>Agreement to proceed with phase two as notified by the Minister or the Department to the State in writing. This notification will be accompanied by the version of the Supplementary Report to the Business Case agreed between the State and the Commonwealth Minister or the Department.</p> <p>A detailed project plan for phase two including a plan for each Priority Catchment/sub-catchment as agreed in the Supplementary Report to the project Business Case to the satisfaction of the Department.</p>
11	Procurement	29 July 2016	<p>Procurement of contractors for the design and construction of infrastructure Works commenced</p> <p>Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 2 May 2016 to 29 July 2016 to the satisfaction of the Department.</p>
12	Progress Report	31 March 2017	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 30 July 2016 to 31 December 2016 to the satisfaction of the Department.
13	Progress Report	30 September 2017	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 January 2017 to 30 June 2017 to the satisfaction of the Department.
14	Progress Report	31 March 2018	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 July 2017 to 31 December 2017 to the satisfaction of the Department.
15	Progress Report	30 September 2018	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 January 2018 to 30 June 2018 to the satisfaction of the Department.

16	Progress Report	31 March 2019	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 July 2018 to 31 December 2018 to the satisfaction of the Department.
17	Interim Progress Report Interim (25 February 2014 – 31 May 2019) Final Project Report	5 June 2019	Provision of a Draft Progress Report in accordance with item I.2 of this Project Schedule for the period 1 January 2019 to 31 May 2019 to the satisfaction of the Department. AND Provision of an 'Interim (25 February 2014 – 31 May 2019) Final Project Report' in accordance with item I.3 of this Project Schedule to the satisfaction of the Department.
18	Progress Report	30 September 2019	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 January 2019 to 30 June 2019 to the satisfaction of the Department.
19	Progress Report Interim (25 February 2014 – 30 June 2019) Evaluation Report	31 March 2020	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 July 2019 to 31 December 2019 to the satisfaction of the Department. AND Provision of an Interim (25 February 2014 – 30 June 2019) Evaluation Report that contains the information specified in item I.5 of this Project Schedule; and to the satisfaction of the Department.
20	Progress Report	30 September 2020	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 January 2020 to 30 June 2020 to the satisfaction of the Department.
21	Progress Report	31 March 2021	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 July 2020 to 31 December 2020 to the satisfaction of the Department.
22	Progress Report Interim (25 February 2014 – 15 May 2021) Final Project Report	31 May 2021	Provision of a Progress Report in accordance with item I.2 of this Project Schedule for the period 1 January 2021 to 15 May 2021 to the satisfaction of the Department. AND Provision of an Interim (25 February 2014 – 15 May 2021) Final Project Report in accordance

			with item I.3 of this Project Schedule to the satisfaction of the Department.
23	Final Project Report Evaluation Report	31 August 2021	Provision of a Final Project Report in accordance with item I.3 of this Project Schedule to the satisfaction of the Department. AND Provision of an Evaluation Report that contains the information specified in item I.5 of this Project Schedule; and to the satisfaction of the Department.

D. Project Cost

D.1. Project Cost for the Priority Project

D.1.1. The maximum GST exclusive Project Cost for this Priority Project is \$92,677,534 as detailed in the following table.

Activity	Funding	State Contribution	Total Project Cost
Phase 1			
PMO including Contract Administrator (CA)			
Water Quality Infrastructure			
Water quality monitoring and evaluation			
Catchment Strategy			
Public Education			
WaterWatch			
Isabella Pond			
Total	\$84,171,122	\$8,506,412*	\$92,677,534

* The State contribution to Phase 1 has been in excess of the amount of [REDACTED] identified in this table. The actual State contribution for Phase 1 has been [REDACTED]. Isabella Pond has been in excess of the amount [REDACTED] identified in this table. The actual State contribution has been [REDACTED]. This brings the total State contribution to \$9,132,626.

D.2. Contribution Components of Priority Project

D.2.1. The maximum GST exclusive Funding and State Contributions to the Project Cost for the Priority Project are set out in the following table:

Contribution	Maximum Contribution (\$)
Commonwealth Funding	\$84,171,122
State Contributions	\$8,506,412*
Project Cost as set out in item D.1.1	\$92,677,534*

*Noting the increase in State contribution as per item D.1.1, the total State contribution is \$9,132,626, bringing the Project Cost up to \$93,303,748.

D.2.2. As at 28 February 2019 the amount of interest earned, and held by, the State on Funds the Commonwealth has paid in respect of this Priority Project is

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D.2.3. Pursuant to clause 6.1.9 (c) of the Agreement, the Commonwealth notified the State that the amount of Funds payable under the Agreement will be reduced by interest earned as at 28 February 2019. The reduction of Funds is summarised below.

Project Schedule Item	Funding Payment Number	Offset Amount (GST exclusive)
Item J.1.1	Funding Payment Number 16	██████████

D.2.4. Taking into account the interest in item D.2.3 already held by the State, the maximum amount of Funds to be physically transferred by the Commonwealth to the State for the Priority Project is up to ██████████ (being up to \$84,171,122 minus ██████████ of the interest held by the State as at 28 February 2019).

D.3. State Contributions

D.3.1. The State agrees to provide its State Contribution to the total Project Cost for this Priority Project at the following times:

GST exclusive amount of State Contribution	Date by which State Contribution is to be provided
Nil	Upon execution of this Project Schedule by both parties – Project Milestone 1.
██████████	Upon completion of Project Milestone 2.
	Upon completion of Project Milestone 3.
	Upon completion of Project Milestone 4.
	Upon completion of Project Milestone 5.
	Upon completion of Project Milestone 6.
	Upon completion of Project Milestone 7.
	Upon completion of Project Milestone 8.
	Upon completion of Project Milestone 9.
	Upon completion of Project Milestone 10.

	Upon completion of Project Milestone 11.
	Upon completion of Project Milestone 12.
	Upon completion of Project Milestone 13.
	Upon completion of Project Milestone 14.
	Upon completion of Project Milestone 15.
	Upon completion of Project Milestone 16.
	Upon completion of Project Milestone 17.
	Upon completion of Project Milestone 18.
	Upon completion of Project Milestone 19.
	Upon completion of Project Milestone 20.
	Upon completion of Project Milestone 21.
	Upon completion of Project Milestone 22.
Total State Contribution	\$9,132,626***
*** Reflects the increase in State contribution as per item D.1.1	

D.3.2. 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

E.1.1. Not required.

F. Sharing Actual Water Savings additional to Agreed Water Savings

F.1.1. Not required.

G. Agreement Material and Existing Material relating to this Priority Project

G.1. Agreement Material

G.1.1. Nil

G.2. Existing Material

G.2.1. Nil

H. Indemnity

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

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.

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 aims and outcomes of the Priority Project (as specified in this Project Schedule items B.2.1 and B.2.2) and against the relevant project plan for each phase (for up to Milestone 11) or against the relevant Annual Workplan as per item B.5 (for Milestone 12 onwards), including information and evidence to demonstrate the State's completion of the Project Milestones (see item C 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. analysis of water quality monitoring data for the period of the report and the data files upon which the analysis is based;
 - d. an income and expenditure statement of the Funding to date against the Project Cost in item D.1, the detailed budget in the project plan for each phase of the Priority Project (for Milestone 2 to 11); and project activity lines in item D.1.1 as refined by a financial template to be provided in the Project Charter (for Milestone 12 onwards);
 - e. an estimate of the interest earned by the State to date on the Funds provided for the Priority Project;
 - f. 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
 - g. 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 Report for the Priority Project is due at the earliest of:

- a. Milestone 23 as set out in item C.1.6; or
- b. 60 Business Days after the termination of this Project Schedule or the Priority Project.

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 aims and outcomes of the Priority Project (as specified in this Project Schedule items B.2.1 and B.2.2) 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. 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
- f. 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 the Australian Capital Territory Environment, Planning and Sustainable Development Directorate 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.3.5. An Interim (25 February 2014 – 31 May 2019) Final Project Report will be provided for the State Priority Project on the date set out in item C.1.6. This report will be an antepenultimate version of the Final Project Report, covering the requirements under items I.3.3 and I.3.4, for the State Priority Project from project commencement until 31 May 2019.

I.3.6. An Interim (25 February 2014 – 15 May 2021) Final Project Report will be provided for the State Priority Project on the date set out in item C.1.6. This report will be a penultimate version of the Final Project Report, covering the requirements under items I.3.3 and I.3.4, for the State Priority Project from project commencement until 15 May 2021.

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.

I.5. Evaluation Report

I.5.1. An Evaluation Report is to be provided by the State, building on information provided in Progress Reports for the Priority Project, that clearly demonstrates:

- a. the extent to which the completed Works are being used for the aims and outcomes (as specified in this Project Schedule items B.2.1 and B.2.2) throughout the Evaluation Period;
- b. the extent to which the Priority Project has met, exceeded or fallen short of the Priority Project aims and outcomes (as specified in this Project Schedule items B.2.1 and B.2.2) during the Evaluation Period; and
- c. any other items that are agreed by the State and the Commonwealth to be included in the Evaluation Report.

I.5.2. The Evaluation Report is due at the earliest of:

- a. Milestone 23 as set out in item C.1.6; or
- b. 40 Business Days after the termination of this Project Schedule or the Priority Project.

I.5.3. An Interim (25 February 2014 – 30 June 2019) Evaluation Report will be provided for the State Priority Project on the date set out in item C.1.6. This report will be a penultimate version of the Evaluation Report, covering the requirements under item I.5.1, for the State Priority Project from project commencement until 30 June 2019.

J. Payment Schedule for Funding

J.1.1. Subject to the terms of clauses 6 and 17 of the Agreement, the maximum GST exclusive amount of Funds payable by the Commonwealth to the State in respect of this Priority Project is up to \$84,171,122 which comprises the interest offset of [REDACTED] specified in item D.2.3 and [REDACTED] of Funds payable by the Commonwealth to the State, which shall be paid in instalments, and on the completion of the Payment Preconditions, specified in the following table. Payment of Funds will be made in compliance with the *Intergovernmental Agreement on Federal Financial Relations* after the date that the State or Territory is assessed as having completed all of the Payment Preconditions relating to that payment and has provided the Commonwealth with an invoice for that payment of Funds.

Funding Payment Number	GST-exclusive amount of the Funding instalment	Payment Preconditions for Funding instalment
1		Completion of Milestone 1.
2		Completion of Milestone 2 to the satisfaction of the Commonwealth.
3		Completion of Milestone 3 to the satisfaction of the Commonwealth.
4		Completion of Milestone 4 to the satisfaction of the Commonwealth.
5		Completion of Milestone 5 to the satisfaction of the Commonwealth.
6		Completion of Milestone 6 to the satisfaction of the Commonwealth.
7		Completion of Milestone 7 to the satisfaction of the Commonwealth.
8		Completion of Milestone 8 to the satisfaction of the Commonwealth.
9		Completion of Milestone 9 to the satisfaction of the Commonwealth.
10		Completion of Milestone 10 to the satisfaction of the Commonwealth.
11		Completion of Milestone 11 to the satisfaction of the Commonwealth.
12		Completion of Milestone 12 to the satisfaction of the Commonwealth.
13		Completion of Milestone 13 to the satisfaction of the Commonwealth.

14		Completion of Milestone 14 to the satisfaction of the Commonwealth.
15		Completion of Milestone 15 to the satisfaction of the Commonwealth.
16		Completion of Milestone 16 to the satisfaction of the Commonwealth. The State's provision of an invoice for this payment of Funds and the Commonwealth's acceptance of that invoice. The invoice must clearly note that this payment is [REDACTED] rather than [REDACTED] because [REDACTED] of Funds has already been provided to the State as per item D.2.3 of this Project Schedule.
17		Completion of Milestone 17 to the satisfaction of the Commonwealth.
18		Completion of Milestone 18 to the satisfaction of the Commonwealth.
19		Completion of Milestone 21 to the satisfaction of the Commonwealth.
20		Completion of Milestone 22 to the satisfaction of the Commonwealth.
Total	\$84,171,122*	

*The maximum total Commonwealth Funds for the Priority Project includes the interest amount of [REDACTED] as per item D.2.3 already held by the State and [REDACTED] of Funds payable by the Commonwealth under item J.1.1.