

New South Wales – Detailed Assessment of the Mid-Murrumbidgee River Optimisation Project

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule																					
Parties	Commonwealth of Australia New South Wales (NSW)																				
Duration	This Schedule is expected to expire on 30 November 2025, or upon completion of all agreed measures including final progress reporting.																				
Purpose	<p>This schedule will support NSW to deliver Detailed Assessments of potential new supply measures.</p> <p>Supply measures are part of the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) of the Murray-Darling Basin Plan 2012. They are designed to enhance water infrastructure and river operations and enable Basin Plan environmental outcomes to be achieved with less recovery of water for the environment.</p> <p>The 2023 amendments to the Basin Plan allow the Basin Officials Committee (BOC) to notify the Murray-Darling Basin Authority of new supply measures by 30 June 2025 (section 7.12 of the Basin Plan 2012).</p> <p>A Detailed Assessment provides information to enable BOC to assess potential new supply measures. The information includes a description of the measure, its feasibility to be operational by 31 December 2026, technical details and costs, risks and benefits. The information requirements for a Detailed Assessment are at Appendix 1.</p>																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to New South Wales of up to \$4.650 million in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th>Table 1 (\$ million)</th> <th>2024-25</th> <th>2025-26</th> <th>2026-27</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>4.650</td> <td>0.00</td> <td>0.00</td> <td>4.650</td> </tr> <tr> <td><i>Less estimated Commonwealth Contributions</i></td> <td><i>4.650</i></td> <td><i>0.00</i></td> <td><i>0.00</i></td> <td><i>4.650</i></td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>0.0</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table>	Table 1 (\$ million)	2024-25	2025-26	2026-27	Total	Estimated total budget	4.650	0.00	0.00	4.650	<i>Less estimated Commonwealth Contributions</i>	<i>4.650</i>	<i>0.00</i>	<i>0.00</i>	<i>4.650</i>	Balance of non-Commonwealth contributions	0.0	0.00	0.00	0.00
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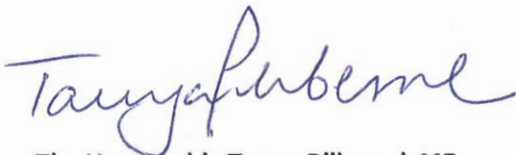
Additional terms	<p>Funding</p> <p>Funding will be paid in accordance with the achievement of the milestones in the table.</p> <p>Should the actual expenditure incurred by NSW to deliver the activities in a particular table be less than the Commonwealth's financial contribution for that table, the Parties agree that the final payment in that table will be reduced to meet the total actual expenditure incurred on the activities.</p> <p>For the purposes of this Schedule, P50 represents the 50th percentile of expected costs, meaning 50% of cost estimates are below this value. Similarly, P70 represents the 70th percentile of expected costs.</p> <p>Governance</p> <p>Through existing project governance arrangements, NSW will notify the Commonwealth should any matters arise, that would inhibit complete and timely delivery of the Project.</p> <p>NSW and Commonwealth senior executives will hold meetings, when mutually agreed, to discuss the projects outlined in this schedule and address any risks to the implementation. NSW will provide written progress reports to support these discussions.</p>
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Table 2 Detailed Assessment for the Mid-Murrumbidgee River Optimisation Project Investigate proposed construction or modification of four off-river storages within the Murrumbidgee Irrigation and Coleambally Irrigation Cooperative Limited footprints				
Output	No.	Performance milestones	Report due	Payment
Project Establishment	1	Acceptance by the Commonwealth of a Project Management document, which includes: <ul style="list-style-type: none"> • A project plan that outlines project timelines, activities, deliverables, and responsibilities, including a section on risk management and mitigation strategies • A summary of engaged key personnel and consultants that outlines the roles and responsibilities of each team member • Evidence that governance arrangements have been established, including any necessary Terms of Reference. 	Within 10 business days of signing this agreement	\$0.500 million
Detailed Assessment completion	2	Acceptance by the Commonwealth of the Detailed Assessment. The Detailed Assessment is to meet the information requirements for a Detailed Assessment at Appendix 1 and include: <ol style="list-style-type: none"> i. infrastructure designs to P50 standard ii. hydrological modelling report iii. geotechnical assessments for the four sites iv. Environmental Constructability Review v. a stakeholder engagement plan vi. cost-benefit analysis (P70 costs) vii. an implementation plan viii. responsibilities for ongoing operations and maintenance ix. a risk register x. technical feasibility assessment, and a monitoring and evaluation plan. Documentation on project expenditure, including receipts, must be maintained and be available for submission if requested by the Commonwealth.	9 May 2025	Up to \$4.150 million (1)
TOTAL				Up to \$4.650 million

(1) Payment is to be reduced if total project expenditure is less than total payments

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

Signed for and on behalf of the
Commonwealth of Australia by



The Honourable Tanya Plibersek MP
Minister for the Environment and Water

[Day] [Month] [Year]

24 2 2025

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



The Honourable Rose Jackson MP
Minister for Water

[Day] [Month] [Year]

26.2.25

Appendix 1

Extract from *Guidelines for the Assessment of new and amended supply measures under the SDLAM* (pages 11 to 12)

Information requirements

This section summarises the information required for a supply measure to be brought forward for assessment and notification. This information will allow the BOC Alternates to assess individual projects and assist in assessing the potential SDL adjustment from proposed supply measures.

Not all requirements will be relevant for all proposed new supply measures. However, it is recommended that all requirements are considered, and where not relevant this is stated in the proposal with the associated rationale. Additionally, if required, the proponent may be asked to provide further information, including information not foreshadowed in these guidelines.

Judgement should be used by proponents, the BOC Alternates and jurisdictions to assess the level of detail required for a new project, commensurate with the risks to third parties, likely project outcomes and the potential offset. The information requirements are broadly consistent with the original Phase 2 Guidelines and have been rationalized to recognize the limited time for new proposals to be developed and projects to be implemented.

Proposals should include the following information, as relevant, and to an appropriate level of detail in the assessment report:

- Project Details - an overview of the project including a description of proposed measure, locality map and a definition of the measure as either environmental works and measures at point locations, or operating rules changes.
- Feasibility and fitness for purpose – establish that the project and any associated infrastructure is technically feasible and can be operational by 31 December 2026. Include information on any regulatory approvals including Commonwealth, state and local government planning, environmental and heritage regulations. Describe how ongoing management and monitoring requirements and costs will be met.
- Ecological values, objectives and targets – a description of the ecological values, objective and targets, and an analysis of any anticipated ecological benefits or impacts, and any interdependencies for achieving the identified outcomes.
- Hydrology – a description of the hydrology of the system or site, including the current frequency, duration and timing of relevant flow events, including any environmental water requirements that are required for the

supply measure. Include an estimate of the potential supply contribution and any impact on the reliability of entitlements.

- Hydrological model – proponents need to provide any models used to represent the proposal for use by the MDBA, and the technical modelling reporting with a summary of model inputs and parameters, calibration and validation results, and model assumptions.
- Operating regime – a brief description of how any structures will be operated to meet the ecological objectives and targets, and to minimize any adverse impacts. Information regarding alignment with the assumed behavior within the modelling, and how certainty in operations will be assured at project completion (e.g. operating plan, amendments to water sharing plans, agreements, asset ownership and management).
- Risk assessment and management strategy – to assess project delivery and operating risks and identify mitigation strategies that will need to be in effect at project completion to manage any risk.
- Complementary actions and interdependencies – all proposals must indicate the surface water SDL resource units that are affected by the measure (Basin Plan cl.7.12) and how they are affected, and identify any linkages with other supply or constraints measures.
- Costs and benefits – identify the costs and benefits of the proposal, including ongoing operation and maintenance costs and proposed financial responsibility for ongoing asset ownership costs.
- Project management – describe the governance and project management arrangements for the proposal, including a timeline of each stage throughout the life of the project.
- Stakeholder consultation and engagement – identify the key stakeholders and describe the consultation and engagement conducted during development of the project proposal and the position of stakeholders on the project.