

# Resilient Rivers Water Infrastructure Program: Victorian-led Broken Reconfiguration Project

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

**Table 1: Formalities and operation of schedule**

Parties	Commonwealth Victoria
Duration	This Schedule is expected to expire on 30 June 2028 or upon completion of all agreed activities including final reporting.
Purpose	<p>This Schedule will support the business case and construction phases of the Victorian-led Broken Reconfiguration Project as funded under Stream A of the Resilient Rivers Water Infrastructure Program.</p> <p>The Victorian-led Broken Reconfiguration Project will improve local environmental outcomes and support structural changes that increase resilience to climate change and support a sustainable future for irrigators and communities. The total estimated volume of water recovery for return to the Commonwealth and the project delivery costs will be confirmed during the business case phases of the project. It is estimated the project could deliver to the Commonwealth 7.8 gigalitres (GL) long-term diversion limit equivalence (LTDLE) of high and low reliability Broken water entitlements. Access to the total funding is contingent on the business case demonstrating value for money for the Commonwealth.</p> <p>This Schedule is approved on the basis that the Victorian-led Broken Reconfiguration Project and activities identified satisfy s86AD of the Water for the Environment Special Account (in Pt 2AA of the <i>Water Act 2007</i>) and that Victoria intend to assess using the socio-economic criteria agreed by the Murray–Darling Basin Ministerial Council.</p>

Estimated financial contributions	The Commonwealth will provide an estimated total financial contribution to Victoria of \$132.1 million (GST exclusive) in respect of this Schedule.																																			
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Additional terms	<p><b>Funding</b></p> <p>1. Total funding from the Commonwealth to Victoria under this Schedule will be up to a maximum of \$132.1 million (GST exclusive) with any project costs above this amount provided by Victoria.</p> <p>2. Funding is provided to the following sub-projects/activities:</p> <table><tr><td>• Broken Reconfiguration Business Case</td><td>\$6,894,107</td></tr><tr><td>• Broken Reconfiguration Project costs</td><td>\$123,788,243</td></tr><tr><td>• Victoria project administration costs</td><td>\$1,417,650</td></tr></table> <p><b>Financial Reporting statements</b></p> <p>3. Victoria will provide an income and expenditure report containing a statement of payments and receipts in respect of any activities. The report is to be certified by a person undertaking the role of Chief Financial Officer of the organisation (or a comparable role) and must include a statement that the financial accounts are true and fair.</p> <p><b>Governance</b></p> <p>4. Project Control Group meetings will be held for the Victorian-led Broken Reconfiguration Project with Victoria and any project partners at least every two months. The Commonwealth will participate as an observer and as a funding partner but will not participate in decisions on project implementation. Victoria will arrange for a written progress report to support these meetings and provide to all participants prior to the meeting. The report should demonstrate progress since the last meeting and identify activities planned for the period up to the next meeting.</p>						• Broken Reconfiguration Business Case	\$6,894,107	• Broken Reconfiguration Project costs	\$123,788,243	• Victoria project administration costs	\$1,417,650																								
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5. Through Victoria's existing project governance arrangements, Victoria will notify the Commonwealth should any matters arise that would inhibit complete and timely delivery of the Victorian-led Broken Reconfiguration Project.

**Project Terms**

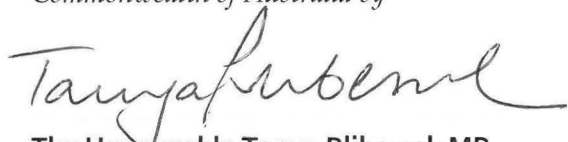
6. Victoria will be responsible for all aspects of delivering on the approved milestones as set out in the Schedule.
7. Victoria will report outside this Schedule to Resilient Rivers Water Infrastructure Program agreed governance committees.
8. Any assets being constructed or modified as part of the Victorian-led Broken Reconfiguration Project already have existing asset ownership arrangements in place. The Commonwealth will not acquire any assets, nor any liability for any operations, maintenance or recurrent costs from works undertaken or associated with the Victorian-led Broken Reconfiguration Project, the exception being the Water Shares issued to the Commonwealth as part of this project.
9. An Indigenous Participation Plan (IPP) is required. Programs and projects under the Resilient Rivers Water Infrastructure Program are designed in accordance with the IPP to employ local and First Nations people, source local goods and improve environmental outcomes in the Murray–Darling Basin.



Table 2: Performance requirements, reporting and payment summary		
Performance milestones for Victoria	Report due	Payment
Milestone 1 – Project commencement <ul style="list-style-type: none"> <li>Commonwealth acceptance of a Project Plan including key deliverables and timelines for the delivery of the Business Case</li> <li>Commonwealth- State governance arrangements for the project have been established</li> </ul>	Within 20 days of execution of agreement	\$5,200,000
Milestone 2 – Final Business Case <ul style="list-style-type: none"> <li>Commonwealth acceptance of a Final Business Case</li> <li>Chief Financial Officer (or comparable role) certified income and expenditure report for project</li> <li>Acceptance by Commonwealth officials of a high-level Project Execution Plan that details Victoria's preferred implementation option based on key elements affecting the delivery of program outcomes</li> </ul>	30/03/2026	\$1,694,107
<b>Hold-point review:</b> Once Milestone 2 is submitted to the Commonwealth, the Commonwealth will review Victoria's preferred option proposal, including the high-level Project Execution Plan and all other information provided to date under this Schedule. Subject to Commonwealth and Victoria agreement on implementation, milestones for full program delivery to June 2028 will be negotiated under a variation to this Schedule.		Remaining funds to be allocated: \$125,205,893
<b>Total Commonwealth Contribution</b>		<b>\$132,100,000</b>

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

Signed for and on behalf of the  
Commonwealth of Australia by

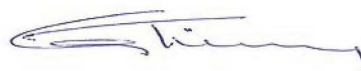


**The Honourable Tanya Plibersek MP**  
Minister for the Environment and Water

[Day] [Month] [Year]

18. 3. 2025

Signed for and on behalf of the  
State of Victoria by



**The Honourable Gayle Tierney MP**  
Minister for Water

[Day] [Month] [Year]

02/05/2025