

# New South Wales – Murray and Murrumbidgee River Constraints Measures (Reconnecting River Country Program) (Amendment 1)

## FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth New South Wales (NSW)
Duration	This Schedule is expected to expire on 30 April 2027, or upon completion of all agreed measures including final progress reporting.
Purpose	<p>This Schedule will support the delivery of elements of the Reconnecting River Country Program (the Program) to be operable by 31 December 2026.</p> <p>This amendment to the Schedule follows completion of the Checkpoint Review milestone (Table 3) in February 2025 and adds milestones and terms for the Murrumbidgee River Constraints Measure – Securing a flow corridor in the Murrumbidgee. The milestones aim to enable the delivery of environmental flows up to the maximum flow rate allowable (32,000 ML/day) under the current Murrumbidgee Water Sharing Plan.</p> <p>The Program comprises river constraints alleviation measures for the Murray-Darling Basin Plan which form part of the Sustainable Diversion Limits Adjustment Mechanism:</p> <ul style="list-style-type: none"> <li>– NSW Murray River (Hume to Yarrawonga and Yarrawonga to Wakool reaches) and</li> <li>– the Murrumbidgee River.</li> </ul> <p>The Program aims to increase the frequency and extent that rivers connect to wetlands and floodplains in the Murrumbidgee and Murray River systems.</p> <p>The Program will achieve this through relaxing physical, operational, legal and policy barriers that prevent the flexible use of water for the environment. The Program is being delivered to achieve the greatest possible environmental outcomes by 31 December 2026.</p> <p>This Schedule funds New South Wales to:</p> <ul style="list-style-type: none"> <li>– progress actions to provide river operators with the authorising environment to deliver higher environmental flows</li> <li>– undertake further technical studies to inform a final business case for constraints alleviation in the Murray River</li> <li>– secure up to 40% of the inundation area in the flow corridor in the Murrumbidgee, to enable by December 2026 flows up to the maximum flow rate allowable under the Murrumbidgee Water Sharing</li> </ul>

	<p>Plan that is in effect at the commencement of this Agreement</p> <ul style="list-style-type: none"><li>– upgrade infrastructure: in the Murrumbidgee construct a new bridge at Mundarlo and raise Mundowry Lane and in the Murray replace four regulators at Werai Forest.</li></ul> <p>This Schedule is made under the FFA - Environment and complements the existing agreement set out in the Project Agreement (Project Agreement for Stage 1 Funding for SDL Adjustment Supply and Constraints Measures in the Murray-Darling Basin) and the deliverables set out in its related Schedule A (Stage 1 Funding for New South Wales Supply and Constraints Measures).</p>																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to the States of \$255.565m in respect of this Schedule.</p> <table><tr><th>Table 1 (\$ million)</th><th>2024-25</th><th>2025-26</th><th>2026-27</th><th>Total</th></tr><tr><td>Estimated total budget</td><td>40.351</td><td>101.689</td><td>113.525</td><td>255.565</td></tr><tr><td><i>Less estimated National Partnership Payments</i></td><td>40.351</td><td>101.689</td><td>113.525</td><td>255.565</td></tr><tr><td>Balance of non-Commonwealth contributions</td><td>0.0</td><td>0.0</td><td>0.0</td><td>0.0</td></tr></table>	Table 1 (\$ million)	2024-25	2025-26	2026-27	Total	Estimated total budget	40.351	101.689	113.525	255.565	<i>Less estimated National Partnership Payments</i>	40.351	101.689	113.525	255.565	Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0
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Additional terms	<p><b>Funding</b></p> <ol style="list-style-type: none"><li>1. Funding will be paid in accordance with the achievement of the milestones in this schedule.</li><li>2. Should the actual expenditure incurred by NSW to deliver the activities in Tables 2-7 be less than the Commonwealth’s financial contribution, the Parties agree that the final payments in the tables will be reduced to meet the total actual expenditure incurred on the activities.</li><li>3. The non-completion of a milestone by its reporting date in a particular project work stream will not prevent payment being made for a completed milestone in a different project work stream.</li></ol> <p><b>Milestone Achievement and Reporting</b></p> <ol style="list-style-type: none"><li>4. The milestones in Tables 2-7 have been developed at a program level for administrative simplicity.</li><li>5. In accordance with this agreement, NSW will provide evidence on the achievement of each Milestone in accordance with Tables 2-7.</li></ol>																				

	<p>6. Where relevant, for the early works and flow corridor implementation, the evidence will include:</p> <ul style="list-style-type: none"> <li>• Project Management Suite of documents including but not be limited to: <ul style="list-style-type: none"> <li>○ Project Execution Plan or Delivery Plan</li> <li>○ Community and Stakeholder Management Plan</li> <li>○ Schedule, estimates and forecasts, risk registers</li> <li>○ Quarterly project updates including financial expenditure summary</li> <li>○ Project closure reports when applicable, or equivalent documents.</li> </ul> </li> </ul> <p><b>Asset ownership and recurrent costs</b></p> <p>7. Any assets being constructed or modified by NSW as part of this Schedule have clear asset ownership pathways (i.e. private landholders, River Murray Joint Venture, WaterNSW, NSW Parks and Wildlife Service).</p> <p>8. The Commonwealth will not acquire any assets nor any liability for any operations, maintenance or recurrent costs from works undertaken or associated with this Schedule.</p> <p><b>Procurement for infrastructure projects (Mundarlo Bridge, Mundowry Lane, Werai Forest regulators) (tables 5 to 7)</b></p> <p>9. To improve the Commonwealth's visibility of the cost and time required to deliver the infrastructure projects by 31 December 2026, NSW agrees to provide the Commonwealth written advice on the cost and time outcomes of Design and Construction procurements for the projects 20 business days before recommending preferred tenderers to the NSW delegate.</p> <p>10. The advice should include the pre-tender estimate of cost and practical completion date for the package, and the preferred tenderer's proposed cost and practical completion date for the package.</p> <p>11. The Commonwealth will respond to NSW in writing within 10 business days of receipt of NSW's advice to confirm it has no concerns with NSW proceeding to award contracts for the packages.</p> <p><b>Governance</b></p> <p>12. Through NSW's 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>13. NSW and the Commonwealth senior executives will hold quarterly meetings to discuss the projects in this schedule and any risks to the implementation of those projects. NSW will provide written progress reports to support these meetings.</p>
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Table 2: Murray River (Hume to Yarrawonga and Yarrawonga to Wakool reaches) and Murrumbidgee Constraints Measures – River Operations Authorising Environment (#) Performance requirements, reporting and payment summary				
Output	No.	Performance milestones	Report due	Payment (#)
Planning and consulting	1	Scoping document on planning and design of an environmental flow notification system Report outlining: <ul style="list-style-type: none"> <li>Options for providing authorising environment for NSW river operators for higher environment flow releases, including option assessment,</li> <li>Options for extending NSW river operations procedures to support higher environmental flow releases, including assessment and documentation of discussions with WaterNSW.</li> </ul>	30/9/2025	\$5.966 million
Delivery	2	Final report confirming: <ul style="list-style-type: none"> <li>Preferred option for providing the authorising environment for NSW river operators to release higher environmental flows</li> <li>Completion of the environmental flow notification system for the Murrumbidgee</li> <li>Completion of upgrades to the NSW predictive forecasting model to provide accurate high flow forecasts</li> <li>NSW river operations procedures have been extended to support higher flow operations.</li> </ul>	31/12/2026	Up to \$8.924 million
<b>TOTAL</b>				<b>\$14.890 million</b>

(#) Expenses associated with the activity are notionally allocated 60% Murrumbidgee, 30% Y2W, 10% H2Y.

Table 3: Murrumbidgee River Constraints Measure – Securing a flow corridor in the Murrumbidgee Performance requirements, reporting and payment summary				
Output	No.	Performance milestones	Report due	Payment
Implementation planning	1	<p>Flow corridor delivery plan to enable Commonwealth and NSW governments to determine whether to proceed to delivery in the Murrumbidgee.</p> <p>The delivery plan is to include a flow corridor acquisition strategy, that includes: timeframes, costs, risks, flow rate targets, and status of necessary NSW government approvals, if required.</p> <p>Summary of flow corridor delivery planning documentation including assurance plans, negotiation templates, governance arrangements, and financial management processes.</p>	28/02/2025	\$13.532 million
CHECKPOINT REVIEW		<p>Subject to delivery of the documents and information in Milestone 1 to the satisfaction of the Commonwealth, the Commonwealth and NSW governments will undertake a Checkpoint Review to confirm whether NSW commences delivery to secure a flow corridor in the Murrumbidgee.</p> <p>The review will be informed by Milestone 1 documentation, the Final Business Case for the Murrumbidgee, and NSW providing sufficient evidence that it has taken appropriate action to secure the Basin Officials Committee's continued support for this project scope. If the Basin Officials Committee determines that an amendment to the SDLAM notification is required, NSW will need to provide evidence it is pursuing this amendment as soon as practicable after being informed an amendment is required.</p> <p>Associated milestones for implementation will be negotiated through a variation to this Schedule as part of this Checkpoint.</p>		
Implementation planning	2	Acceptance by the Australian Government of the Project Execution Plan for the securing a flow corridor in the Murrumbidgee project (see Appendix 1).	26/09/2025	\$8.378 million
Delivery	3	Acceptance by the Australian Government of a progress report and supporting evidence in accordance with Appendix 1.	27/03/2026	\$20.565 million

	4	Acceptance by the Australian Government of a progress report and supporting evidence in accordance with Appendix 1.	25/09/2026	\$30.982 million
	5	Acceptance by the Australian Government of a progress report and supporting evidence in accordance with Appendix 1.	31/12/2026	\$32.770 million
Completion	6	Acceptance by the Australian Government of a Completion Report for Murrumbidgee flow corridor negotiations in accordance with Appendix 1.	28/04/2027	Up to \$30.373 million
<b>TOTAL</b>				<b>\$136.600 million</b>

Table 4: Murray River (Hume to Yarrawonga and Yarrawonga to Wakool Reaches) Constraints Measures - Technical studies to inform a Final Business Case for works in the Murray River Constraints Measures.(#) Performance requirements, reporting and payment summary				
Output	No.	Performance milestones	Report due	Payment (#)
Delivery	1	Progress report showing completion of at least 30% on the technical studies: <ul style="list-style-type: none"> <li>Hydraulic modelling,</li> <li>Environmental benefits and risk assessments, and</li> <li>Climate change assessments</li> </ul>	30/9/2025	\$2.417 million
Delivery	2	Progress report showing completion of 100% of the technical studies: <ul style="list-style-type: none"> <li>Hydraulic modelling,</li> <li>Environmental benefits and risk assessments,</li> <li>Climate change assessments and</li> <li>Basin Salinity Management Strategy salinity impact assessment.</li> </ul>	31/12/2026	Up to \$3.615 million
<b>TOTAL</b>				<b>\$6.032 million</b>

(#) Expenses associated with the activity are notionally allocated equally across each of the constraints measures.



**Table 5: Murray River (Yarrowonga to Wakool) Constraints Measure - Early Works Project 1: Wera Forest – replacement of water regulating structures.**

Performance requirements, reporting and payment summary

Output	No.	Performance milestones	Report due	Payment
Detailed designs and approvals	1	Progress report confirming: <ul style="list-style-type: none"> <li>• completion of concept designs</li> <li>• procurement of REF consultant,</li> <li>• documents for planning approvals prepared,</li> <li>• submission for asset owner approvals prepared</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	15/8/2024	\$6.056 million
Delivery	2	Progress report confirming: <ul style="list-style-type: none"> <li>• designs and drawings suitable for construction tendering,</li> <li>• submission of final documents for planning approval, environmental and cultural heritage approvals;</li> <li>• submission for asset owner approvals submitted.</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	30/04/2025	\$12.112 million
Construction	3	Progress report confirming: <ul style="list-style-type: none"> <li>• procurement of contractor for construction, and</li> <li>• completion of at least 30% construction of new infrastructure</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	30/9/2025	\$12.112 million
Construction	4	Progress report confirming: <ul style="list-style-type: none"> <li>• completion of at least 40% construction of new infrastructure</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	28/2/2026	\$7.267 million
Completion	5	Progress report confirming: <ul style="list-style-type: none"> <li>• construction works have reached Practical Completion</li> </ul>	31/12/2026	\$2.018 million
Commissioning and handover	6	Progress report confirming: <ul style="list-style-type: none"> <li>• completion of commissioning and handover</li> </ul>	28/4/2027	Up to \$0.807 million
<b>TOTAL</b>				<b>\$40.372 million</b>



**Table 6: Murrumbidgee Constraints Measure – Early Works Project 2: Construction of new Mundarlo Bridge.**

Performance requirements, reporting and payment summary

Output	No.	Performance milestones	Report due	Payment
Detailed designs and approvals	1	Progress report confirming: <ul style="list-style-type: none"> <li>tender documentation for concept designs prepared</li> <li>tender documentation for REF and documents for planning approvals prepared,</li> <li>submission for asset owner approvals prepared</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	15/8/2024	\$4.606 million
Delivery	2	Progress report confirming: <ul style="list-style-type: none"> <li>designs and drawings suitable for construction tendering,</li> <li>submission of final documents for planning approvals, environmental and cultural heritage approvals;</li> <li>submission for asset owner approvals submitted.</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	31/08/2025	\$9.212 million
Construction	3	Progress report confirming: <ul style="list-style-type: none"> <li>procurement of contractor for construction</li> <li>completion of at least 30% construction of new infrastructure</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	30/9/2025	\$9.212 million
Construction	4	Progress report confirming: <ul style="list-style-type: none"> <li>completion of at least 40% construction of new infrastructure</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	28/2/2026	\$5.528 million
Completion	5	Final report confirming: <ul style="list-style-type: none"> <li>construction works have reached Practical Completion</li> </ul>	31/12/2026	\$1.535 million
Commissioning and handover	6	Progress report confirming: <ul style="list-style-type: none"> <li>completion of commissioning and handover</li> </ul>	28/4/2027	Up to \$0.614 million
<b>TOTAL</b>				<b>\$30.707 million</b>

Table 7: Murrumbidgee Constraints Measure - Early Works Project 3: Upgrade and raising of Mundowry Lane. Performance requirements, reporting and payment summary				
Output	No.	Performance milestones	Report due	Payment
Detailed designs and approvals	1	Progress report confirming: <ul style="list-style-type: none"> <li>tender documentation for concept designs prepared</li> <li>tender documentation for REF and documents for planning approvals prepared,</li> <li>submission for asset owner approvals prepared</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	15/8/2024	\$4.045 million
Delivery	2	Progress report confirming: <ul style="list-style-type: none"> <li>designs and drawings suitable for construction tendering,</li> <li>submission of final documents for planning approvals, environmental and cultural heritage approvals;</li> <li>submission for asset owner approvals submitted.</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	31/08/2025	\$8.089 million
Construction	3	Progress report confirming: <ul style="list-style-type: none"> <li>procurement of contractor for construction</li> <li>completion of at least 30% construction of new infrastructure</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	30/9/2025	\$8.089 million
Construction	4	Progress report confirming: <ul style="list-style-type: none"> <li>completion of at least 40% construction of new infrastructure</li> </ul> Report on community and stakeholder engagement detailing activities, outcomes and issues	28/2/2026	\$4.854 million
Completion	5	Final report confirming: <ul style="list-style-type: none"> <li>construction works have reached practical completion</li> </ul>	31/12/2026	\$1.348 million
Commissioning and handover	6	Progress report confirming: <ul style="list-style-type: none"> <li>completion of commissioning and handover</li> </ul>	28/4/2027	Up to \$0.539 million
<b>TOTAL</b>				<b>\$26.964 million</b>

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

*Signed for and on behalf of the  
Commonwealth of Australia by*



**Senator the Hon Murray Watt**  
Minister for the Environment and Water

6/8/25  
[Day] [Month] [Year]

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



**The Hon Rose Jackson MLC**  
Minister for Water

7.8.25  
[Day] [Month] [Year]



**Murrumbidgee River Constraints Measure – Securing a flow corridor in the Murrumbidgee - Reporting Requirements**

Additional Term 6 identifies the Project Management Suite of documents to be provided with every milestone. The following requirements must also be met, as applicable to each milestone.

**Project Execution Plan**

Table 3, Milestone 2 (Implementation Planning) requires NSW to provide a Project Execution Plan for the Securing a flow corridor in the Murrumbidgee project.

The Plan is to describe the arrangements and outputs for delivering the Murrumbidgee flow corridor, the scoping and design of public works and First Nations enabling measures, including (where appropriate):

- Scope in accordance with the final business case, the flow corridor delivery plan and the legislative framework
- Outputs to be delivered overall and for each milestone
- How outputs are to be delivered for the flow corridor negotiations (including numbers of eligible landholders and properties)
- Updates to the delivery strategy previously outlined in the Milestone 1 flow corridor delivery plan
- Project delivery schedule, and budget
- Procurement strategy
- Risks and mitigation strategies
- Stakeholder engagement strategies and management
- Governance arrangements

**Milestone Reporting**

Milestone progress reports and supporting evidence are to show:

- Progress against the Project Execution Plan including advised changes, achievement of outputs specified for that milestone.
- Summary of negotiation status including number of flow corridor negotiations commenced, negotiation status, and number of agreements reached.
- Issues and risks that have become evident and mitigation measures.

**Completion Report for Murrumbidgee flow corridor negotiations**

The Completion Report for Murrumbidgee flow corridor negotiations is an evaluation describing:

- Operational handover and summary of stakeholder engagement activities.
- Reporting on the landholder negotiations, including number and percentage of landholder agreements finalised.
- Lessons learned and recommendations for delivery of the remainder of the flow corridor in the Murrumbidgee.
- Financial expenditure summary for the entire project.