

SDLAM Supply Project – New South Wales - Restoring Murray Waterways (RMW) Expansion Project

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 June 2027.
Purpose	<p>The Restoring Murray Waterways (RMW) supply measure aims to improve the health and connectivity of floodplain ecosystems by utilising upgraded Murray Irrigation Limited (MIL) infrastructure to facilitate higher flows of the Edward-Wakool River system. This will improve eco-system functioning and connectivity to the Murray River with higher water efficiency, providing local ecological and economic benefits and increasing system capacity to meet environmental demands in the mid to lower Murray. Higher utilisation rates for MIL infrastructure will also improve long term viability of the network.</p> <p>The measure involves upgrading existing infrastructure both within the Murray Irrigation channel network (escapes, channel upgrades), and private land (creek crossings and fences) within the region's creeks and wetlands to enhance environmental water events by delivering water into natural assets via Murray Irrigation's channel network. The measure will also create additional irrigation escape structures to allow water to be dispersed to other areas, install fish-friendly access crossings, and upgrade existing fences.</p> <p>The measure consists of a pilot project (delivered by MIL and funded by the Australian Government) and an expansion project. Per the notified supply measure, the combined RMW pilot and expansion projects will see works on 740 structures, enabling watering of approximately 608 kilometres of creek channel and 12,858 hectares of private wetlands within the Murray Irrigation Limited footprint of operations.</p> <p>This Schedule relates to the delivery of the expansion project only. Any proposed reduction in the scope of the expansion project as per the measure notification, will be outlined in the Project Execution Plan (submitted under Milestone 1 of this Schedule) and require an amendment to the notified supply measure (as per s7.12 of the Basin Plan).</p>

Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to NSW of up to \$73,512,536 (GST exclusive) in respect of this Schedule.</p> <table><tr><th>Table 1</th><th></th><th></th><th></th></tr><tr><th>(\$ million)</th><th>2025-26</th><th>2026-27</th><th>Total</th></tr><tr><td>Estimated total budget</td><td>25.729</td><td>47.784</td><td>73.513</td></tr><tr><td>Less estimated National Partnership Payments</td><td>25.729</td><td>47.784</td><td>73.513</td></tr><tr><td>Balance of non-Commonwealth contributions</td><td>-</td><td>-</td><td>-</td></tr></table> <p>Commonwealth funding under this schedule is capped at \$73.513 million and all other project costs will be met by NSW.</p>	Table 1				(\$ million)	2025-26	2026-27	Total	Estimated total budget	25.729	47.784	73.513	Less estimated National Partnership Payments	25.729	47.784	73.513	Balance of non-Commonwealth contributions	-	-	-
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(\$ million)	2025-26	2026-27	Total																		
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Balance of non-Commonwealth contributions	-	-	-																		
Asset Ownership	<p>Any assets being constructed or modified as part of the program must have asset ownership arrangements or pathways in place.</p> <p>The Commonwealth will not acquire any assets nor accept liability for operations, maintenance or recurrent costs from works undertaken or associated with the program.</p>																				
Governance arrangements	<p>NSW government officials will monitor and provide strategic direction for the implementation of the project under this Schedule. The Commonwealth is to maintain oversight of the project implementation through communication with NSW.</p> <p>NSW will notify the Commonwealth through regular officer level meetings should any matters arise that would inhibit complete and timely delivery of the Project.</p> <p>In addition, NSW and Commonwealth senior executives will hold quarterly meetings to discuss the project in this Schedule including any risks to implementation. NSW will provide written progress reports to support quarterly meetings.</p> <p>NSW will ensure the Murray Darling Basin Authority (MDBA) and the Basin Officials Committee (BOC) are kept informed of any changes to the scope of the supply measure, including providing evidence that amendment to notification is underway at Milestone 1, should it be required.</p>																				
Recognition of funding	<p>In addition to the requirements set out in clause 21 of the FFA-Environment, NSW agrees to:</p> <ul style="list-style-type: none">a) Acknowledge Commonwealth funding in all publications, promotional materials, signage, announcements and activities in relation to the program.b) Ensure the Commonwealth is consulted prior to the release of all material relating to works under this Schedule.c) Provide the Commonwealth with equal access to products obtained under this Schedule for the use in the development of promotional material, including but not limited to program data, footage and images; andd) Provide opportunities for Commonwealth involvement in announcements and launch events relating to the Project.																				
Additional terms	<p>Milestone Achievement and Reporting</p> <ul style="list-style-type: none">1. The Commonwealth will endeavor to assess performance milestones within 20 business days.																				

	<p>2. NSW will address all relevant reporting requirements as outlined in Appendix A to this schedule in milestone submissions.</p> <p>Funding</p> <p>3. Funding will be paid in accordance with the achievement of the milestones in this Schedule subject to the terms of this agreement.</p> <p>4. To ensure the Commonwealth maintains visibility of the cost and time required to deliver the infrastructure projects by 31 December 2026, NSW agrees to report against the Project Execution Plan (under milestone 1) in each milestone report and provide commentary on any changes.</p> <p>5. The Commonwealth will pay milestones 2 and 3 to NSW on a pro-rata basis against a project delivery target (based on total structures to be in operation by 31 December 2026) which is required to be submitted, verified and approved as a report under milestone 1. The formula for payment will be as follows:</p> $\text{Milestone payment} = \frac{\text{Delivery Target}}{\text{Project Proposal}} \times \text{Milestone upper limit}$ <p>6. Should project delivery drop below the agreed delivery target, NSW will inform the Commonwealth through established communication channels in a timely manner.</p> <p>7. Should the Commonwealth not accept the revised delivery target provided by NSW and/or MDBA and BOC do not agree to amend the notification, the Commonwealth reserve the right to not make milestone payments under this schedule. Under these circumstances the Commonwealth will pay NSW costs accrued, based on receipt of a financial statement.</p> <p>8. Should the actual expenditure incurred by NSW to deliver the project be less than the Commonwealth's financial contribution, the Parties agree that the final milestone payment (milestone 4) will be reduced to meet the total actual expenditure incurred on the activities.</p> <p>9. Should the reduction in actual expenditure incurred by NSW to deliver the project be such that NSW claims no payment for the final milestone, NSW are still required to submit a Project Completion Report to support project closure.</p>
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Table 2: New South Wales – Performance requirements, reporting and payment summary

Output	No	Performance milestones	Report due	Payment
<p>Project Execution Plan.</p> <p>Project progress report for the period 1 July 2025 to 31 December 2025.</p>	1	<ul style="list-style-type: none"> Acceptance by the Australian Government of a Project Execution Plan in accordance with Appendix A. Acceptance by the Australian Government of a progress report and supporting evidence in accordance with Appendix A. Evidence that NSW has informed the Murray Darling Basin Authority and Basin Officials 	30/01/2026	\$25,730,000

Evidence of intention to amend supply measure.		Committee of its intention to amend the notification on the register of measures, if applicable.		
Project progress report for the period 1 January 2026 to 30 April 2026.	2	<ul style="list-style-type: none"> Acceptance by the Australian Government of a progress report and supporting evidence in accordance with Appendix A. Evidence that the notified supply measure has been amended to reflect any change in the scope of the project (delivery target). 	01/08/2026	Up to \$14,703,000 (pro rata based on delivery target)
Project progress report for the period 1 May 2026 to 30 August 2026.	3	<ul style="list-style-type: none"> Acceptance by the Australian Government of a progress report and supporting evidence in accordance with Appendix A. 	01/10/2026	Up to \$14,703,000 (pro rata based on delivery target)
Progress report for the period 1 September to project close. Project Completion Report for the FFA duration.	4	<ul style="list-style-type: none"> Acceptance by the Australian Government of a progress report and supporting evidence in accordance with Appendix A. Acceptance by the Australian Government of a Project Completion Report and supporting evidence that demonstrates that structures agreed in the Delivery Target were in operation by December 2026, in accordance with Appendix A. 	31/03/2027	Up to \$18,376,536 (paid on actuals)
Total Commonwealth contribution				Up to \$73,512,536.00

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

Signed for and on behalf of the Australian
Government of Australia by



Senator the Honourable Murray Watt
Minister for the Environment and Water

1 / 12 / 2025

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



The Honourable Rose Jackson MLC
Minister for Water

17 / 12 / 2025

Milestone Reporting Requirements

Project Execution Plan

The **Project Execution Plan** must include (where appropriate): a detailed schedule of proposed activities & delivery target for the project's duration. It should include the following components:

- Confirmation of delivery target, including number of sites, structures, and kilometers of creek and areas of wetlands to be watered.
- Detailed schedule that specifies timing for delivery of project activities (e.g. commencement of on-ground works etc.).
- Detailed project budget and expenditure forecast.
- Risk and issues management, Consultation and Engagement, and Monitoring and Evaluation plans.

Progress Report

The **Progress Report** should provide the following:

- Detailed statements of progress (supported by relevant evidence) against the Project Execution Plan, including updates on project scoping, designs, approvals, executed contracts with landholders, procurement and on-site works commenced.
- Summary of any proposed changes to project scope, budget or delivery timeframes.
- Risk and issues management updates, including new or emerging risks to timely project delivery.
- Project monitoring and evaluation updates.
- Communication and stakeholder engagement outcomes including First Nations groups, Landholder engagement/consultation.
- Project Governance updates.
- Regulatory approval updates (e.g. environmental, controlled activity).

Project Completion Report

The **Project Completion Report** should outline the extent to which all activities in the Project Execution Plan have been delivered, including:

- Achievement and verification against notified requirements including agreed project activities & delivery targets.
- Delivery of project outputs and outcomes identified in the Project monitoring and evaluation plan.
- A summary of communications and stakeholder engagement outcomes.
- Lessons learnt and evaluation findings along with long-term management plan.
- A final financial summary for the entire project.