

Land and Water Partnership Program: NSW Redbank North and Werai Station Business Cases

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 2026
Purpose	<p>This Schedule will support the development of business cases for the NSW Redbank North and Werai Station projects under the Land and Water Partnership Program.</p> <p>Activities funded through this Schedule are intended to assess the strategic acquisition of land and water to support environmental, cultural, and biodiversity outcomes, including First Nations ownership and wetland restoration.</p> <p>If the business cases are assessed as providing value for money, future project delivery is expected to enhance ecological health, water quality, and biodiversity across rivers, wetlands, floodplains, and surrounding landscapes within the Lowbidgee and mid-Murray regions of the Murray–Darling Basin. This investment will contribute to achieving the Basin Plan’s environmental water recovery target of 450 GL.</p> <p>Implementation of the Land and Water Partnership Program will be consistent with the <i>Basin Plan 2012</i>, the <i>Water Act 2007</i>, and the Restoring Our Rivers framework, ensuring alignment with ecological, cultural, and community priorities.</p> <p>The Redbank North business case will focus on a section of the Murrumbidgee River floodplain, located on the northern side of the river, downstream from Redbank Weir, and adjacent to Yanga National Park and Gayini Nimmie-Caira.</p> <p>The Werai Station business case aligns with the neighbouring Ramsar-listed Werai Lands, an 11,658-hectare property owned by the Werai Land and Water Aboriginal Corporation. This proposed project has the potential to support the restoration of the Ramsar-listed wetland and promote First Nations-led land management.</p>

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	<p>It is estimated that the Land and Water Partnership Program could deliver up to 35 gigalitres (GL) of long-term diversion limit equivalence (LTDLE) water entitlements to the Commonwealth. The final water recovery volume and related project delivery costs will be confirmed upon completion of the business cases. Access to project delivery funding is contingent on the business cases demonstrating value for money for the Commonwealth.</p> <p>This Schedule is approved on the basis that the Land and Water Partnership Program business case activities satisfy Section 86AD (2) of the Water for the Environment Special Account (Part 2AA of the <i>Water Act 2007</i>).</p>																
<p>Estimated financial contributions</p>	<p>The Commonwealth will provide an estimated total financial contribution to NSW of \$1.588 million in respect of this Schedule.</p> <p>Details of the estimated financial contribution by the Commonwealth in respect to this schedule are set out in the table below.</p> <table border="1" data-bbox="405 896 1385 1182"> <thead> <tr> <th style="text-align: left;">Table 1 (\$ million)</th> <th style="text-align: center;">2025-26</th> <th style="text-align: center;">2026-27</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td style="text-align: center;">1.588</td> <td style="text-align: center;">0.000</td> <td style="text-align: center;">1.588</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td style="text-align: center;">1.588</td> <td style="text-align: center;">0.000</td> <td style="text-align: center;">1.588</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td style="text-align: center;">0.000</td> <td style="text-align: center;">0.000</td> <td style="text-align: center;">0.000</td> </tr> </tbody> </table>	Table 1 (\$ million)	2025-26	2026-27	Total	Estimated total budget	1.588	0.000	1.588	<i>Less estimated National Partnership Payments</i>	1.588	0.000	1.588	Balance of non-Commonwealth contributions	0.000	0.000	0.000
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<p>Additional terms</p>	<p>Funding</p> <ol style="list-style-type: none"> 1. Total funding from the Commonwealth to NSW under this Schedule will be up to a maximum of \$1,588,475 (GST exclusive) with any project costs above this amount provided by NSW. 2. Funding is provided for the following projects: <ul style="list-style-type: none"> • Redbank North Business Case \$895,650 • Werai Station Business Case \$692,825 3. NSW 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. 4. NSW may, with prior written notice to the Commonwealth, reallocate funding between approved business cases under this Schedule, provided that such reallocation remains consistent with the overall objectives, scope, and reporting requirements of the Land and Water Partnership Program. Any reallocation of funds 																

must not result in an increase to the total funding amount and must be documented in subsequent financial reports.

Governance

5. Project Control Group meetings will be held for the Land and Water Partnership Program with NSW 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 business case implementation. NSW 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.
6. Through NSW's existing program governance arrangements, NSW will notify the Commonwealth should any matters arise, that would inhibit complete and timely delivery of the Redbank North Business Case and the Werai Station Business Case.

Business Cases

7. NSW will develop independent business cases for Redbank North and Werai Station, including a comprehensive implementation plan, clearly defined milestones, robust risk management strategies, and funding arrangements linked to performance outcomes.
8. NSW will ensure each business case includes a detailed cost-benefit analysis that identifies future socio-economic and/or cultural economic opportunities.
9. NSW will ensure each business case clearly articulates the anticipated benefits including the use of independent valuations for land and water assets with substantiated justification for any proposal above market value.
10. NSW will ensure all project approvals, permits and compliance obligations required under law or regulation are documented and disclosed in detail to the Commonwealth.
11. NSW will develop and implement a stakeholder engagement strategy to ensure transparency, inclusive consultation with affected communities and interest groups, and accountability in project delivery. Administrative funding will be contingent upon the achievement of defined project deliverables.
12. NSW will engage with Traditional Owner groups through culturally informed, inclusive processes that are grounded in mutual respect and consistent with national commitments to First Nations partnerships. NSW will provide evidence of these engagement activities as part of program reporting.
13. The business cases will include details outlining how the project will be sustained following the conclusion of initial funding.

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Project Terms

14. NSW will be responsible for all aspects of delivering on the approved milestones as set out in the Schedule.
15. NSW will report outside this Schedule to agreed governance committees.
16. The Commonwealth Government holds sole authority to assess and determine the suitability of proposals outlined in the business cases for land and water acquisition. The Commonwealth Government will communicate a formal decision to NSW.

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Table 2: Performance requirements, reporting and payment summary		
Performance milestones for NSW	Report due	Payment
Redbank North Business Case		
Milestone 1- Project commencement <ul style="list-style-type: none"> • Commonwealth acceptance of a Project Plan including key deliverables and timelines for the delivery of the Business Case • Commonwealth- State governance arrangements for the project have been established 	Within 60 business days of execution of agreement	\$223,912
Milestone 2 – Final Business Case <ul style="list-style-type: none"> • Commonwealth acceptance of final business case as detailed in Additional Terms 1-13 of this Schedule. • Chief Financial Officer (or comparable role) certified income and expenditure report for the business case. • Acceptance by Commonwealth officials of a high-level Project Execution Plan that details NSW preferred implementation option based on the key elements affecting the delivery of Program outcomes. 	31/05/2026	\$671,738
Total Commonwealth contribution for Redbank North Business Case		\$895,650
Performance milestones for NSW	Report due	Payment
Werai Station Business Case		
Milestone 1- Project commencement <ul style="list-style-type: none"> • Commonwealth acceptance of a Project Plan including key deliverables and timelines for the delivery of the Business Case • Commonwealth- State governance arrangements for the project have been established 	Within 60 business days of execution of agreement	\$173,206
Milestone 2 – Final Business Case <ul style="list-style-type: none"> • Commonwealth acceptance of final business case as detailed in Additional Terms 1-13 of this Schedule. • Chief Financial Officer (or comparable role) certified income and expenditure report for the business case. • Acceptance by Commonwealth officials of a high-level Project Execution Plan that details NSW preferred implementation option based on the key elements affecting the delivery of Program outcomes. 	31/05/2026	\$519,619
Total Commonwealth contribution for Werai Station Business Case		\$692,825
Total Commonwealth contribution		\$1,588,475

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

Signed for and on behalf of the Commonwealth
of Australia by



Senator the Honourable Murray Watt
Minister for the Environment and Water

14 / 12 / 25

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



The Honourable Penelope Sharpe MLC
Minister for the Environment

29 / 1 / 26