

Resilient Rivers Water Infrastructure Program: NSW Modernisation of the Trangie Agricultural Research Centre Syphon 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 2028.
Purpose	This Schedule will support the delivery of the NSW Modernisation of the Trangie Agricultural Research Centre Syphon (MTARCS) Project as funded under Stream A of the Resilient Rivers Water Infrastructure Program. The MTARCS Project will upgrade infrastructure within the Trangie Nevertire Irrigation Scheme to modernise the Trangie Agricultural Research Centre syphon. This involves replacement of two 1,800 millimetre reinforced concrete pipes (370 metres total) and two pit covers, upgrade of 40,000 square metres of channel liner and the installation of an automated trash screen and debris remover to reduce water losses. The MTARCS Project will generate an estimated water savings of 922 megalitres (ML) providing 480 ML to the Commonwealth with a long-term diversion limit equivalence (LTDLE) of 197.52 ML per year (ML/y). This is comprised of water recovery of 400 ML (175.6 ML/y LTDLE) of Macquarie Valley General Security water entitlements and 80 ML (21.92 L/y LTDLE) of Macquarie Supplementary water entitlements. This Schedule is approved on the basis that the MTARCS Project and activities identified satisfy s86AD of the Water for the Environment Special Account (Pt 2AA of the <i>Water Act 2007</i>) and has been assessed using socio-economic criteria agreed by the Murray–Darling Basin Ministerial Council and completed by NSW.

Estimated financial contributions	The Commonwealth will provide an estimated total financial contribution to NSW of up to \$5.945m in respect of this Schedule. The profile for the total financial contribution is presented in Table 1. <table><tr><th colspan="4">Table 1</th></tr><tr><th>(\$ million)</th><th>2026-27</th><th>2027-28</th><th>Total</th></tr><tr><td>Estimated total budget</td><td>4.345</td><td>1.600</td><td>5.945</td></tr><tr><td>Less estimated National Partnership Payments</td><td>4.345</td><td>1.600</td><td>5.945</td></tr><tr><td>Balance of non-Commonwealth contributions</td><td>0.000</td><td>0.000</td><td>0.000</td></tr></table>	Table 1				(\$ million)	2026-27	2027-28	Total	Estimated total budget	4.345	1.600	5.945	Less estimated National Partnership Payments	4.345	1.600	5.945	Balance of non-Commonwealth contributions	0.000	0.000	0.000
Table 1																					
(\$ million)	2026-27	2027-28	Total																		
Estimated total budget	4.345	1.600	5.945																		
Less estimated National Partnership Payments	4.345	1.600	5.945																		
Balance of non-Commonwealth contributions	0.000	0.000	0.000																		
Additional terms	Funding - Total funding from the Commonwealth to NSW under this Schedule will be up to a maximum of \$5,945,000 (GST exclusive) with any project costs above this amount provided by NSW. - Funding is provided to the following sub-projects/activities: - MTARCS Project costs: \$5,502,000 - NSW Project Administration costs: \$443,000 Financial Reporting statements - NSW will provide an income and expenditure report for the 2026-27 financial year and as part of Milestone 4. The report is to include a financial report that contains a statement of payments and receipts in respect of the project, and it is to be certified by a person undertaking the role of Chief Financial Officer (or comparable role) of Trangie-Nevertire Co-operative Limited and includes a statement that the financial accounts are true and fair. - The income and expenditure reports provided by NSW at Milestone 4 will be supported by an independent audit report with unqualified audit opinions for the project costs. - NSW will provide a certified independent audit report of income and expenditure for the entirety of the project costs, with unqualified audit opinions within 60 days of the expiry of this schedule. Governance - Project Control Group meetings will be held for the MTARCS Project with NSW, Trangie-Nevertire Co-operative Limited and any project partners on a monthly basis. The Commonwealth will participate as an observer and as a funding partner but will not participate in decisions on project implementation.																				

7. 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 MTARCS Project.

Project Terms

8. Any assets being constructed or modified as part of the MTARCS Project already have existing asset ownership arrangements in place. The Commonwealth will not acquire any assets nor liability for any operations, maintenance or recurrent costs from works undertaken or associated with the MTARCS 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.
10. In addition to the requirements set out in clause 21 of the FFA-Environment, NSW agrees to:
 - 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 media 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; and
 - d) Provide opportunities for Commonwealth involvement in announcements and launch events relating to the project.

Table 2: Performance requirements, reporting and payment summary

Performance milestones	Report due	Payment
Milestone 1 – Execution of Funding arrangement and Water Transfer Deed Commonwealth acceptance of a report including: • A detailed project management plan inclusive of but not limited to engagement of project team and key staff, identification of project performance metrics • Governance arrangements for the project are detailed and established and project control group arrangements in place • Indigenous Participation Plan, risk management plan, approvals and permits requirements identified and commenced Commonwealth-State governance arrangements for the project have been established Executed water Transfer Deed for 480 ML (197.52 ML/y LTDLE)	within 30 calendar days of execution	\$2,000,000
Milestone 2 – Progress Report, Detailed Designs and Tender Finalisation Commonwealth acceptance of a progress report and supporting evidence detailing: • Progress completed against the project performance metrics as detailed in the project management plan • Detailed designs for pipeline, liner and pit cover completed • Evidence of finalisation of tender packages for materials for pipeline, liner and pit cover • Evidence of site mobilisation for on-ground works • Income and expenditure report	23 November 2026	\$2,345,000
Milestone 3 – Progress Report and Water Entitlement Transfer Commonwealth acceptance of progress report and supporting evidence detailing: • Progress completed against the project performance metrics as detailed in the project management plan • Evidence of detailed designs for trash screen • Evidence of procurement for trash screen • On-ground works demonstrating cumulative construction progress, including practical completion of pipeline installation, liner installation and pit cover installation Chief Financial Officer (or equivalent) certified income and expenditure report for project costs Transfer of 400 ML (175.6 ML/y LTDLE) of Macquarie Valley General Security water entitlements and 80 ML (21.92 ML/y LTDLE) of Macquarie Supplementary water entitlements	13 September 2027	\$1,141,500

Milestone 4 – On-ground works completed, Final Report and Water Savings Report Commonwealth acceptance of a final report and supporting evidence detailing: • The delivery of the project and works completed against the project performance metrics as detailed in the project management plan • On-ground works 100% completed aligned with the project management plan • Verification of works • Achievements and benefits realised • Report on the analysis of water recovery to demonstrate works will achieve expected water savings Certified independent audit of income and expenditure report for the project costs for the 2026-27 FY Evidence that an independent auditor is being engaged or has been engaged to complete a certified independent audit report of income and expenditure for the entire project	28 April 2028	Actual expenditure for the project up to a maximum of \$458,500
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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

[Day] [Month] [Year]

17/8/26

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



The Honourable Rose Jackson MLC
Minister for Water

[Day] [Month] [Year]

28-8-26