

# National Water Grid Fund

## FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table 1: Formalities and operation of schedule	
Parties	<p>Commonwealth</p> <p>New South Wales</p> <p>Victoria</p> <p>Queensland</p> <p>Western Australia</p> <p>South Australia</p> <p>Tasmania</p> <p>Northern Territory</p> <p>Australian Capital Territory</p>
Duration	This Schedule will commence as soon as the Commonwealth and one other Party sign it and will expire on 30 June 2031.
Purpose	<p>This Schedule will support the development and delivery of nationally important water infrastructure projects that support primary industries and unlock potential, promote the growth and sustainability of regional economies, and build resilience.</p> <p>In entering into this Schedule, the Commonwealth and the States and Territories (the States) recognise they have a mutual interest in improving outcomes through national water infrastructure development and need to work together to achieve those outcomes.</p>
Related Documents	This Schedule must also be read in conjunction with the National Water Grid Investment Framework (the Framework) and the National Water Grid Authority's Science Strategy.
Estimated financial contributions	<p>Details of the Commonwealth and the States' estimated financial contributions to the operation of this Schedule are set out in the tables below and the relevant appendices to this Schedule.</p> <p>State funding contributions may include contributions from third parties including local governments and other non-government organisations.</p> <p>Commonwealth contributions will be provided upon the achievement of agreed project milestones by the relevant State.</p>

Funding arrangements	<p><i>Capital works</i></p> <p>The Commonwealth may offer a combination of funding and finance of up to 50 per cent of the project's total capital costs for delivery.</p> <p><i>Development funding</i></p> <p>The Commonwealth will seek a financial co-contribution for all project proposals. However, the Commonwealth may agree to provide up to 100 per cent of funds for elements of business case development and science projects, at its discretion.</p> <p><i>Project cost savings</i></p> <p>Where projects are delivered for less than the agreed estimated costs, States should work with the Commonwealth to agree a reallocation of the remaining Commonwealth contribution to other water infrastructure projects within their jurisdiction, consistent with the principles of the Framework and the objectives of this Schedule.</p>
Project milestones	<p>The States will deliver the water infrastructure projects set out in this Schedule and its Appendices, based on project milestones which have been jointly agreed and which may, by written agreement, be varied by the relevant parties from time to time.</p>
Commonwealth Funding Recognition	<p>In addition to the requirements set out in clause 21 of the Federation Funding Agreement for Infrastructure, States agree to:</p> <ul style="list-style-type: none"> <li>(a) recognise the Commonwealth's funding contribution to projects in all publications, promotional and advertising materials, including project signage, and public announcements and activities in relation to a project as appropriate, and must consult the Commonwealth prior to release of all promotional-related materials concerning projects funded through this Schedule;</li> <li>(b) provide reasonable opportunity for the Commonwealth to contribute to developing communications strategies for projects with a Commonwealth funding contribution;</li> <li>(c) provide the Commonwealth with equal access to products that they obtain for use in the development of promotional material including but not limited to project data, footage and images; and</li> <li>(d) where the Commonwealth is a majority funder of a project, promotional material and public recognition should provide major prominence to the Commonwealth's contribution, with the Parties to agree the content and timing.</li> </ul>
Variations and Delegations	<p>Senior Commonwealth and State Officials are authorised to make non-material changes to project milestones as set out in the Appendices to this Schedule, as agreed in writing by both parties, having due regard to financial and policy risks.</p>

**Table 3A: Victoria – Projects and payment summary**

<b>Outputs (Projects)</b>	<b>Project scope</b>	<b>Total Commonwealth contribution</b>	<b>Total non-Commonwealth contribution</b>
<b>Werribee Irrigation District Modernisation (Stage 4 &amp; 5)</b>	The project will complete the modernisation of the Werribee Irrigation District by replacing approximately 16.2km of inefficient channel-based irrigation network with pipeline. The project includes the installation of automated outlets to reduce water losses and improve reliability. The project will decrease water losses, yield a further 1,350ML per annum in water savings, and increase farm gate revenue by over \$1.8 million per annum.	\$10,975,000	\$10,975,000
<b>Recycled Water on the Bellarine</b>	The project will provide high quality, fit-for-purpose recycled water for agriculture and horticulture on the Bellarine Peninsula. The project will upgrade the Portarlington Water Reclamation Plant by installing a 1.3ML/day ultra- filtration and reverse osmosis plant to improve quality and volume of supply. The project also includes construction of an 800KL water tank and 50ML brine storage. The project will increase the volume of recycled water and improve the quality to Class B, ensuring secure, predictable supplies of water now and into the future.	\$5,528,000	\$5,528,000
<b>Tyabb-Somerville Recycled Water Irrigation Scheme Detailed Business Case</b>	The Detailed Business Case will assess the benefits to constructing a transfer main, pumping infrastructure and reticulation network to enable recycled water supply to the Tyabb, Somerville and Pearcedale regions. The proposed project would provide up to 2,400ML per annum of climate independent recycled water and support \$50 million to \$60 million in gross agricultural production.	\$200,000	\$200,000
<b>Pakenham Cora Lynn Recycled Water Scheme for Agriculture Detailed Business Case</b>	The Detailed Business Case will assess the benefits to augmenting an existing water recycling plant and constructing a distribution network to the Cora Lynn and surrounds. The scheme involves diverting sewage flows from urban areas that have no productive use, to Pakenham Recycled Water Plant (RWTP) for treatment. The proposed project aims to supply Class A recycled water to support expansion of irrigated agricultural development east and south of Pakenham.	\$1,200,000	\$1,200,000
<b>Sunbury-Bulla-Keilor Agricultural Rejuvenation Preliminary Business Case</b>	The Preliminary Business Case will assess the benefits to constructing a transfer pipeline, pumping infrastructure and distribution pipelines to enable recycled water use in the Sunbury-Bulla-Keilor agricultural area. The proposed project aims to unlock existing dryland, irrigated cropping and grazing land, and also provide an alternate water source for the Sunbury-Bulla-Keilor region.	\$250,000	\$250,000

<b>Coliban Regional Rural Modernisation Preliminary Business Case</b>	The Preliminary Business Case will review the current supply arrangements, quantify water losses and directly engage with customers to determine the future service and infrastructure needs of the rural system. It will also include an assessment of the benefits to upgrading 282km of open channel with pipeline to improve efficiency and reduce water losses. The proposed project will increase availability of water through water recovery from replacing leaky channels with pipelines and more efficient delivery mechanisms.	\$370,000	\$150,000
<b>Gisborne to Sunbury Interconnector Stage 2 Detailed Business Case</b>	The Detailed Business Case will assess the benefits and develop the detailed design for the second stage of a two-stage interconnection of the Gisborne and Sunbury recycled water schemes. The second stage of the interconnection would provide benefits to agricultural enterprises in Parwan-Balliang and increase opportunities for additional potential en-route offtakes to agricultural enterprises in Toolern Vale.	\$330,000	\$330,000
<b>Riddells Creek to Sunbury Interconnector Detailed Business Case</b>	The Detailed Business Case will assess the benefits and develop the detailed design for the supply of Class B recycled water from the upgraded Riddells Creek recycled water plant into the existing Sunbury Recycled Water Scheme. Connecting the Riddells Creek Recycled Water Plant to the Sunbury Recycled Water Plant would link in an additional plant to the recycled water grid. The proposed project would create opportunities to supply agribusiness properties north of Sunbury as well as increasing the available supply to farmers in the Parwan-Balliang Irrigation District.	\$470,000	\$470,000
<b>VIC Connections Funding Pathway Package</b>	Construction of the following projects: <ul style="list-style-type: none"> <li>• Kyneton Recycled Water Irrigation project</li> <li>• Victoria's Emergency Water Supply Point Network</li> <li>• Sunday Creek Irrigation Reconfiguration project</li> <li>• Goulburn-Murray Irrigation District Channel Embankment Infrastructure Improvement project</li> <li>• Critical Head works Infrastructure for the Modernised Goulburn-Murray Irrigation District</li> <li>• Horsham Agriculture SmartWater for Grains project</li> <li>• Gisborne to Sunbury Recycled Water Interconnector: Stage 1</li> <li>• Bacchus Marsh Resilience &amp; Critical Infrastructure</li> <li>• Macalister Resilience &amp; Critical Infrastructure.</li> </ul>	\$20,000,000	\$26,345,659

Signed for and on behalf of the Commonwealth of Australia by



**The Honourable Barnaby Joyce MP**

Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development

21 / 9 / 2021

Signed for and on behalf of the State of Victoria by



**The Honourable Lisa Neville MP**

Minister for Water

4 / 10 / 2021

# National Water Grid Fund

## FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table B1: Formalities and operation of schedule	
Parties	Commonwealth Victoria
Purpose	This Appendix has been developed in accordance with the National Water Grid Fund Schedule (the Schedule), to set out the Commonwealth and Victoria's estimated expenditure profile and performance milestones to support the operation of the Schedule.

## Estimated financial contributions

<b>Table B2</b>					
<b>(\$)</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Total</b>
<b>Estimated total budget</b>	<b>18,352,500</b>	<b>44,087,500</b>	<b>21,431,659</b>	<b>900,000</b>	<b>84,771,659</b>
Less estimated National Partnership Payments					
Werribee Irrigation District Modernisation (Stage 4 & 5)	1,400,000	4,800,000	4,300,000	475,000	10,975,000
Recycled Water for Bellarine	500,000	2,000,000	3,028,000	0	5,528,000
Tyabb-Somerville Recycled Water Irrigation Scheme Detailed Business Case	200,000	0	0	0	200,000
Pakenham Cora Lynn Recycled Water Scheme for Agriculture Detailed Business Case	500,000	400,000	300,000	0	1,200,000
Gisborne to Sunbury Interconnector Stage 2 Detailed Business Case	180,000	0	150,000	0	330,000
Riddells Creek to Sunbury Interconnector Detailed Business Case	270,000	0	200,000	0	470,000
Sunbury-Bulla-Keilor Agricultural Rejuvenation Preliminary Business Case	150,000	100,000	0	0	250,000
Coliban Regional Rural Modernisation Preliminary Business Case	250,000	120,000	0	0	370,000
Connections Funding Pathway	5,000,000	10,000,000	5,000,000	0	20,000,000
Balance of non-Commonwealth contributions	9,902,500	26,667,500	8,453,659	425,000	45,448,659

**Table B3: Victoria - Performance requirements, reporting and payment summary**

Output (Project)	Performance milestones	Milestone due	Payment
<b>Werribee Irrigation District Modernisation (Stage 4 &amp; 5)</b>	Milestone 1 – Acceptance of Project Plan, including key deliverables and timelines. Stage 4 site mobilisation works complete.	30 April 2022	\$1,400,000
	Milestone 2 – Completion of approximately 8km of Stage 4 pipeline.	31 October 2022	\$3,700,000
	Milestone 3 – Completion of automation of Stage 4 pipeline customer outlets. Stage 5 site mobilisation works complete.	30 April 2023	\$1,100,000
	Milestone 4 – Completion of approximately 8km of Stage 5 pipeline.	30 October 2023	\$4,300,000
	Milestone 5 – Completion of automation of Stage 5 pipeline customer outlets.	31 July 2024	\$370,000
	Milestone 6 - Acceptance by the Australian Government of the Project Completion Report.	30 September 2024	\$105,000
<b>Recycled Water on the Bellarine</b>	Milestone 1 - Acceptance of Project Plan, including key deliverables and timelines.	31 October 2021	\$500,000
	Milestone 2 - Design and construction tender awarded.	31 August 2022	\$500,000
	Milestone 3 - Construction site established including installation of signage, amenities, security fences and site demarcation.	28 February 2023	\$1,500,000
	Milestone 4 – Practical completion of the following construction components: <ul style="list-style-type: none"> <li>• Reverse osmosis plant</li> <li>• Water tank</li> <li>• Brine storage.</li> </ul>	28 February 2024	\$2,928,000
	Milestone 5 - Acceptance by the Australian Government of the Project Completion Report.	31 May 2024	\$100,000
<b>Tyabb-Somerville Recycled Water Irrigation Scheme Detailed Business Case</b>	Milestone 1 – Acceptance of Project Plan, including key deliverables and timelines for the delivery of the Detailed Business Case.	31 October 2021	\$120,000
	Milestone 2 – Acceptance by the Australian Government of the Detailed Business Case.	31 May 2022	\$80,000
<b>Pakenham Cora Lynn recycled Water Scheme for Agriculture – Detailed Business Case</b>	Milestone 1 - Acceptance of Project Plan including key deliverables and timelines for the delivery of the Detailed Business Case.	31 October 2021	\$500,000
	Milestone 2 – Submission of Key Infrastructure Design for the proposed major scheme elements & Associated P50 Cost Estimate Report.	31 October 2022	\$400,000
	Milestone 3- Acceptance by the Australian Government of the Detailed Business Case.	31 July 2023	\$300,000



<b>Gisborne to Sunbury Interconnector Stage 2 Detailed Business Case</b>	Milestone 1 – Acceptance of Project Plan including key deliverables and timelines for the delivery of the Detailed Business Case.	31 January 2022	\$180,000
	Milestone 2 – Acceptance by the Australian Government of the Detailed Business Case	31 July 2023	\$150,000
<b>Riddells Creek to Sunbury Interconnector Detailed Business Case</b>	Milestone 1 – Acceptance of Project Plan including key deliverables and timelines for the delivery of the Detailed Business Case.	31 January 2022	\$270,000
	Milestone 2 - Acceptance by the Australian Government of the Detailed Business Case.	31 July 2023	\$200,000
<b>Sunbury-Bulla-Keilor Agricultural Rejuvenation Preliminary Business Case</b>	Milestone 1 – Acceptance of Project Plan including key deliverables and timelines for the delivery of the Preliminary Business Case.	31 October 2021	\$150,000
	Milestone 2 - Acceptance by the Australian Government of the Preliminary Business Case.	30 April 2023	\$100,000
<b>Coliban Regional Rural Modernisation Project – Preliminary Business Case</b>	Milestone 1 - Acceptance of Project Plan including key deliverables and timelines for the delivery of the Preliminary Business Case.	31 October 2021	\$250,000
	Milestone 2 - Acceptance by the Australian Government of the Preliminary Business Case.	30 November 2022	\$120,000
<b>Connections Funding Pathway</b>	Milestone 1 – Written confirmation of the details of the VIC Connections Package, including: <ul style="list-style-type: none"> <li>• Projects to be delivered</li> <li>• Expected costs of each project and confirmation of funding partner contributions</li> <li>• Construction timing for each project.</li> </ul>	31 October 2021	\$5,000,000
	Milestone 2 – Submission and acceptance of a Progress Report detailing the status of delivery of the VIC Connections Package, including: <ul style="list-style-type: none"> <li>• Current status of each project</li> <li>• Advice on any changes to construction timing</li> <li>• Advice on cost amendments (if any) for each project, including amendments to funding partner contributions</li> <li>• Challenges or issues in delivery of the package.</li> </ul>	31 August 2022	\$10,000,000
	Milestone 3 – Submission and acceptance of a Post Completion Report, including confirmation that all projects have been completed and advice on final costs of each project in the package.	31 August 2023	\$5,000,000