

National Water Grid Fund

FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table 1: Formalities and operation of schedule	
Parties	Commonwealth New South Wales Victoria Queensland Western Australia South Australia Tasmania Northern Territory Australian Capital Territory
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 provide safe and reliable water for regional and remote communities, generate public benefit through productive water use and build resilience while protecting the environment and cultural heritage.</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 Investment Framework), the Program Administration Manual for the National Water Grid Fund, the Indigenous Employment and Supplier-Use Water Infrastructure 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>

<p>Funding arrangements</p>	<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. Where the Commonwealth deems a project to be transformational in nature or where a specific policy need has been identified, the Commonwealth may, at its sole discretion, offer more than 50 per cent funding for an eligible project.</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 Investment Framework and the objectives of this Schedule.</p>
<p>Project milestones</p>	<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>
<p>Commonwealth Funding Recognition</p>	<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"> (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; (b) provide reasonable opportunity for the Commonwealth to contribute to developing communications strategies for projects with a Commonwealth funding contribution; (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 (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.

Variations and Delegations	Senior Commonwealth and State Officials, in consultation with relevant Treasury 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.
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Table 8A: Northern Territory – Projects and payment summary

Outputs (Projects)	Project scope	Total Commonwealth contribution	Total non-Commonwealth contribution
NT Connections Funding Pathway Package	<p>Construction of the following projects:</p> <ul style="list-style-type: none"> • Katherine Logistics and Agribusiness Hub Water Supply Project • Emerging Agribusiness Precinct – Gunn Point Peninsula. <p>*The Northern Territory Government has committed a further \$25 million toward the broader Katherine Logistics and Agribusiness Hub project</p>	\$7,400,000	\$8,900,000*
Darwin Region Water Supply Infrastructure Program (Stage 1)	<p><u>Manton Dam Return to Service (RTS)</u></p> <p>Manton Dam RTS will supply approximately 7,300 ML/y from 2025. The project includes bringing the existing dam infrastructure back on line, consisting of:</p> <ul style="list-style-type: none"> • Strauss Water Treatment Plant (WTP) (stage 1), which will treat water from Manton Dam before it is distributed into the Darwin water supply network; • Pump station at Manton Dam site which will pump water to the proposed Strauss WTP; • Underground rising main of approximately 21km, from the pump station at Manton Dam to the Strauss WTP; and • Underground rising main of approximately 20km from the WTP to the Middle Arm Sustainable Development Precinct. <p><u>Adelaide River Off-Stream Water Storage (AROWS) (Pre-Construction)</u></p> <p>AROWS is an 'off-stream' water storage project that provides complementary outcomes of water availability and environmental sustainability.</p> <p>Pre-construction activities include critical pathway activities required for the project to proceed to a final investment decision, with a focus on:</p> <ul style="list-style-type: none"> - Environmental assessment; and - Design and engineering. 	300,590,000	24,100,000

Table 8B: Northern Territory – Projects and payment summary –Science Projects

Outputs (Projects)	Project scope	Total Commonwealth contribution	Total non-Commonwealth contribution
Recalibration of Models in High Demand Water Systems	Desktop study of the Flora, Roper, Ooloo/Lower Daly Rivers and the Western Davenport Central Plains Aquifer to recalibrate existing surface water – groundwater models in basin-scale hydrological systems. This will improve certainty around environmentally sustainable yields, identify water available for allocation and increase assurance of supply to large agricultural projects.	\$400,000	\$0
Upper King River Managed Aquifer Recharge Investigation	Investigations aim to establish a site in the Upper King River that is viable for managed aquifer recharge (MAR) that sources water from the King River and recharges the Katherine Tindall Limestone Aquifer. The project is a staged program based on CSIRO’s risk assessment framework for MAR scheme development. The project will be a collaboration between the Northern Territory Government and CSIRO.	\$2,450,000	\$0
Western Davenport Hydrostratigraphy	Research investigations, reports, electronic models and model guides. Specifically investigations and studies to address knowledge gaps and hydrogeological conceptualisations in the Western Davenport numerical surface water / groundwater model.	\$3,150,000	\$350,000
LiDAR Survey and Digital Elevation Models development for key NT river systems	Data collection to develop high accuracy Digital Elevation Models (DEM) and contours over priority surface water extraction areas.	\$850,000	\$135,000*

Adelaide River Catchment Water Allocation Plan	<p>The Adelaide River Water Allocation Plan (WAP) will ensure transparent, equitable management and allocation of the entire catchment. Overall, the WAP will:</p> <ul style="list-style-type: none"> • Set the estimated sustainable yield of the ground and surface water resources and the Adelaide River catchment. • Identify and protect the environmental water requirements of water dependent ecosystems and Aboriginal cultural values associated with water. • Ensure security of supply for future public water supply and rural stock and domestic purposes. • Provide access to water resources to support local Aboriginal economic development via an Aboriginal Water Reserve. • Provide access to water to support ecologically sustainable regional economic development. • Ensure sufficient water of appropriate quality is available to support recreation activities and community services. 	<p>7,100,000</p>	<p>750,000*</p>
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*NT Government in-kind contribution

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Tanya Plibersek MP
Minister for the Environment and Water

20 / 3 / 23

Signed for and on behalf of the Northern Territory by



The Honourable Lauren Moss MLA
Minister for Environment, Climate Change and Water Security

2 / 3 / 2023

National Water Grid Fund

FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table G1: Formalities and operation of schedule	
Parties	Commonwealth Northern Territory
Purpose	This Appendix has been developed in accordance with the National Water Grid Fund Schedule (the Schedule), to set out the Commonwealth and Northern Territory's estimated expenditure profile and performance milestones to support the operation of the Schedule.

Estimated financial contributions

Table G2 (\$)	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Estimated total budget	12,340,000	30,800,000	107,230,000	201,130,000	4,690,000	356,190,000
Less estimated National Partnership Payments						
Connections Funding Pathway	1,850,000	3,700,000	1,850,000	0	0	7,400,000
Darwin Region Water Supply Infrastructure Program	0	9,000,000	96,000,000	191,500,000	4,090,000	300,590,000
Recalibration of Models in High Demand Water Systems	40,000	140,000	140,000	80,000	0	400,000
Upper King River Managed Aquifer Recharge Investigations	300,000	1,010,000	640,000	500,000	0	2,450,000
Western Davenport Hydrostratigraphy	300,000	1,600,000	500,000	750,000	0	3,150,000
LiDAR Survey and Digital Elevation Models development for key NT river systems	0	850,000	0	0	0	850,000
Adelaide River Catchment Water Allocation Plan (WAP)	0	2,000,000	3,200,000	1,300,000	600,000	7,100,000
Balance of non-Commonwealth contributions	9,850,000	12,500,000	4,900,000	7,000,000	0	34,250,000

Table G3: Northern Territory - Performance requirements, reporting and payment summary

Output (Project)	Performance milestones	Milestone due	Payment
Connections Funding Pathway	Milestone 1 – Written confirmation of the details of the NT Connections Package, including: <ul style="list-style-type: none"> • Projects to be delivered • Expected costs of each project and confirmation of funding partner contributions • Construction timing for each project. 	31 October 2021	\$1,850,000
	Milestone 2 – Submission and acceptance of a Progress Report detailing the status of delivery of the NT Connections Package, including: <ul style="list-style-type: none"> • Current status of each project • Advice on any changes to construction timing • Advice on cost amendments (if any) for each project, including amendments to funding partner contributions • Challenges or issues in delivery of the package. 	31 August 2022	\$3,700,000
	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	\$1,850,000
Darwin Region Water Supply Infrastructure Program – Manton Dam Return to Service (RTS)	Milestone 1: Acceptance of Project Management Plan, including key deliverables and timelines.	28 February 2023	\$7,000,000
	Milestone 2: Completion of: <ul style="list-style-type: none"> - Environmental Referral Report for the Manton RTS project; and - Tender documentation for whole of project design and construction. 	31 July 2023	\$14,000,000
	Milestone 3: Award of tender for whole of project design and construction	31 December 2023	\$32,000,000
	Milestone 4: Completion of: <ul style="list-style-type: none"> - Preliminary earthworks for the Strauss WTP; and - Detailed design for the Strauss WTP. 	30 April 2024	\$44,000,000

	Milestone 5: Completion of: <ul style="list-style-type: none"> - 10km of pipeline from the Manton Dam site to the Strauss WTP; and - Concrete foundations for the pump station at the Manton Dam site. 	31 October 2024	\$67,000,000
	Milestone 6: Completion of: <ul style="list-style-type: none"> - Additional 5km (totalling 15km) of pipeline from the Manton Dam site to the Strauss WTP; and - Construction of building structure for the pump station at the Manton Dam site. 	31 March 2025	\$21,000,000
	Milestone 7: Submission of Project Completion Report for the Darwin Region Water Supply Infrastructure Program (Stage 1)	28 February 2026	\$4,090,000
	Construction milestones for the remaining Australian Government funding of \$93.5 million for the water pipeline from the Strauss Water Treatment Plant to the Middle Arm Sustainable Development Precinct will be negotiated with the Northern Territory Government after the completion of all pre-construction activities relating to this pipeline.		
Darwin Region Water Supply Infrastructure Program – AROWS preconstruction	Milestone 1: Acceptance of AROWS Project Management Plan	28 February 2023	\$2,000,000
	Milestone 2: Completion of Environmental Pre-Referral Assessment Report and Award of Concept Design tender.	31 July 2023	\$2,000,000
	Milestone 3: Completion of: <ul style="list-style-type: none"> - Environmental Referral Report 	31 December 2023	\$2,000,000
	Milestone 4: Completion of: <ul style="list-style-type: none"> - Environmental Impact Statement: Stakeholder Engagement Plan; and - Environmental Impact Statement: Culture and Heritage Assessment Plan; and - Draft Concept Design (Intake Infrastructure) 	30 April 2024	\$2,000,000
	Milestone 5: Completion of: <ul style="list-style-type: none"> - Detailed Business Case Review Tender Documentation; and - Draft Concept Design (Outlet Infrastructure). 	31 July 2024	\$7,000,000

	<p>Milestone 6: Completion of:</p> <ul style="list-style-type: none"> - Detailed Business Case Review Report; and - Final Concept Design Report; - Procurement Strategy for the detailed design, construction and commissioning of the AROWS project. 	31 December 2024	\$3,000,000
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Table G4: Northern Territory - Performance requirements, reporting and payment summary – Science Projects

Output (Project)	Performance milestones	Milestone due	Payment
Recalibration of Models in High Demand Water Systems	<p>Milestone 1 – Project Plan and Flora River Model Recalibration (FY 2021-22):</p> <p>Acceptance of Project Plan including key deliverables and timelines including the Flora River Model Recalibration.</p> <p>Acceptance of recalibrated groundwater model for the Flora River, including recalibration of the Daly River downstream of its confluence with the Flora River.</p>	31 December 2021	\$40,000
	<p>Milestone 2 – Ooloo Dolostone / Lower Daly Model Recalibration (FY 2022-23):</p> <p>Acceptance of recalibrated model including the fieldwork component to collect groundwater levels from bores currently not monitored.</p>	31 December 2022	\$90,000
	<p>Milestone 3 – Daly Roper River Model Recalibration (FY 2022-23):</p> <p>Acceptance of recalibrated model for the Roper River with particular focus on the Bitter and Rainbow Springs and associated groundwater dependent ecosystems.</p>	31 March 2023	\$50,000
	<p>Milestone 4 –Daly Roper River Model Recalibration (FY 2023-24):</p> <p>Acceptance of the recalibrated numerical model (Daly-Roper – version 3), and</p> <p>Acceptance of the report for the recalibrated Daly Roper Model including Flora and Ooloo (Daly-Roper – version 3).</p>	31 December 2023	\$90,000
	<p>Milestone 5 – Western Davenport Model Rebuild and Recalibration (FY 2023-24):</p> <p>Acceptance of full project scope including data collation and analysis</p> <p>Acceptance of recalibrated numerical model for the Western Davenport (Western Davenport – version 2).</p>	31 March 2024	\$50,000

	Milestone 6 –Western Davenport Model Rebuild and Recalibration (FY 2024-25): Acceptance of the report for the Western Davenport Model rebuild and recalibration (Western Davenport – version 2).	31 December 2024	\$40,000
	Milestone 7 – Final Report (FY 2024-25): Completion of a Project Report Summary including outcomes of the desktop studies.	31 March 2025	\$40,000
Upper King River Managed Aquifer Recharge Investigations	Milestone 1 – Acceptance of the Project Plan including key deliverables and timelines, and confirmation of the initial meeting between the National Water Grid Authority (NWGA), NT Government and CSIRO has taken place.	31 January 2022	\$150,000
	Milestone 2 – Acceptance of Stage 1 report on outcomes of stakeholder engagement with landholder(s)/landowner(s), Traditional Owner groups, local groups and peak bodies.	30 April 2022	\$150,000
	Milestone 3 – Acceptance of Stage 1 report on identified knowledge gaps after preliminary investigations. Acceptance of Stage 1 final report on MAR risk assessment based on CSIRO’s risk assessment framework for MAR scheme development.	30 November 2022	\$370,000
	Milestone 4 – Acceptance of Stage 2 field activities plan for groundwater, hydro-geological, surface water, licensing, policy and legislative investigations.	31 January 2023	\$640,000
	Milestone 5 – Acceptance of Stage 2 report on field program and field results for groundwater, hydro-geological, surface water, licensing, policy and legislative investigations.	31 December 2023	\$640,000
	Milestone 6 – Acceptance of Stage 2 final report on an updated MAR risk assessment including outcomes between Stages 1 and 2.	31 December 2024	\$500,000
Western Davenport Hydrostratigraphy	Milestone 1 – Submission and acceptance of a Project Plan including outcomes of stakeholder meeting (with project partners) and drafting of agreements.	30 April 2022	\$300,000
	Milestone 2 - Submission and acceptance of preliminary investigations including literature review, site selection and clearances. Evidence of commencement of delivery of a drilling program (bore construction and coring), pumping tests and groundwater sampling program.	30 April 2023	\$1,600,000
	Milestone 3 - Submission and acceptance of preliminary results of the hydrogeological assessment and analysis (hydrogeological characterisation) to inform the hydrogeological conceptual model including a preliminary sustainability analysis.	30 April 2024	\$500,000
	Milestone 4 - Submission and acceptance of a final report on the drilling program, pumping tests and groundwater sampling program and other key on-site investigations.	30 November 2024	\$300,000

	Milestone 5 – Submission and acceptance of a final report on the hydrogeological conceptual model and sustainability analysis.	30 April 2025	\$450,000
LiDAR Survey and Digital Elevation Models development for key NT river systems	Milestone 1 – Completion of LiDAR survey and data acquisition, delivery and acceptance of a LiDAR survey report.	28 February 2023	\$700,000
	Milestone 2 – Completion of data processing and DEM development, delivery and acceptance of DEM spatial files.	30 April 2023	\$150,000
Adelaide River Catchment Water Allocation Plan	Milestone 1: Submission and acceptance of project plan and project status report including evidence of: <ul style="list-style-type: none"> - AAPA clearance certificate application; - Scope of works for ecological and Aboriginal Water consultancies and - Preliminary investigation report. 	30 April 2023	\$2,000,000
	Milestone 2: Declaration of Water Control District and submission of: <ul style="list-style-type: none"> - Existing water use report; - Stakeholder information report; - Evidence of ecological and cultural water consultancies underway and - Evidence of Water Advisory Committee established. 	30 April 2024	\$3,200,000
	Milestone 3: Submission and acceptance of completed: <ul style="list-style-type: none"> - Environmental Water Requirements report; - Cultural Water Requirements report; - Surface water and groundwater assessment report and - Natural water balance report. 	30 April 2025	\$1,300,000
	Milestone 4: Submission and acceptance of completed: <ul style="list-style-type: none"> - Draft Water Allocation Plan 	28 February 2026	\$300,000
	Milestone 5: Submission of and acceptance completed: <ul style="list-style-type: none"> - Declared Water Allocation Plan and - Evidence of stakeholder engagement. 	30 April 2026	\$300,000