

Schedule

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	<p>This Schedule will commence as soon as the Commonwealth and one other Party sign it and will expire on 30 June 2031.</p>
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	<p>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.</p>
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. 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>
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"> (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	<p>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.</p>

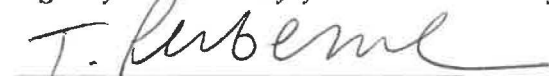
Table 7A: Tasmania – Projects and payment summary

Outputs (Projects)	Project scope	Total Commonwealth contribution	Total non-Commonwealth contribution
Greater South East Irrigation Scheme Detailed Business Case (formerly the South East Integration Project)	The Detailed Business Case will assess the benefits to constructing new trunk pipelines and pumping infrastructure to better connect the existing South East Irrigation Scheme. It will also investigate construction of an additional distribution network to enable new irrigation. The proposed project would provide an additional 12GL of summer water and 18GL of winter water into the region. It would also integrate existing scheme elements to improve water trading opportunities.	\$4,650,000	\$1,550,000
TAS Connections Funding Pathway Package	Construction of the following projects: <ul style="list-style-type: none"> • South Arm Recycled Water Pipeline • Greater Meander Irrigation Scheme Augmentation • Penna Recycled Water Scheme Expansion • Shellfish Lease Water Quality Improvement Program. 	\$20,000,000	\$32,142,455
Lake Leake Dam Life Extension Upgrade	The project will upgrade the existing Lake Leake Dam wall and spillway to reduce dam failure risk to an acceptable level and to meet contemporary standards. The works will extend the dam's useful life, maintaining 14.6GL per year of water for crop and livestock production and providing ongoing water supply certainty for local irrigators in the Campbell town region. The project will also provide ongoing water security for town water, tourism, recreation and environmental use.	\$1,500,000	\$1,500,000
Bicheno Recycled Water Scheme	The project will construct a distribution network for recycled water, including pipelines, pump stations and a 100ML storage dam for primary producers in the Bicheno region. The project will increase the availability of reliable recycled water and initially provide an additional 64ML per year of water. The project is expected to support economic growth by increasing productivity, farm value and employment opportunities in the community	\$5,000,000	\$12,138,109

Table 7B: Tasmania – Projects and payment summary – Science Projects

Outputs (Projects)	Project scope	Total Commonwealth contribution	Total non-Commonwealth contribution
Catchment Yield Science Update	Incorporate contemporary methodologies and predictions of climate change impacts on rainfall, evapotranspiration and runoff to calculate updated catchment yields which will inform water allocation and water use planning as well as water infrastructure planning. This project (Phase 1) will inform Phase 2. Tasmania will likely seek additional funding for Phase 2 following completion of Phase 1.	\$400,000	\$185,000
Water accountability, metering and reporting framework review	Analyse the technology available, and the water use data required to evaluate water resource management questions at various scales for a range of water management outcomes and requirements. Review the policy settings for water use accountability, metering and reporting and make recommendations for change.	\$70,000	\$90,000
Groundwater Assessment Project	Develop research reports and risk assessment tool for improving our knowledge of risks and opportunities for groundwater use to inform water management policy and water infrastructure planning. Groundwater sustainable yields and use, aquifer properties and recharge across Tasmania are not well understood due to the complexity of Tasmania's hydrogeological conditions. This is a core water resource assessment knowledge gap that is relevant to infrastructure investment choices and optimising public investment in water security.	\$750,000	\$350,000

Signed for and on behalf of the Commonwealth of Australia by



The Hon Tanya Plibersek MP
Minister for the Environment and Water

11/5/2023

Signed for and on behalf of the State of Tasmania by



The Honourable Jo Palmer MP
Minister for Primary Industries and Water

3/5/2023

National Water Grid Fund

FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table F1: Formalities and operation of schedule

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

Estimated financial contributions

Table F2					
(\$)	2021-22	2022-23	2023-24	2024-25	Total
Estimated total budget	25,521,227	35,930,228	14,706,109	4,168,000	80,325,564
Less estimated National Partnership Payments					
Greater South East Irrigation Scheme Detailed Business Case (formerly the South East Integration Project)	3,650,000	1,000,000	0	0	4,650,000
Connections Funding Pathway	5,000,000	10,000,000	5,000,000	0	20,000,000
Lake Leake Dam Life Extension Upgrade	0	1,125,000	375,000	0	1,500,000
Catchment Yield Science Update	100,000	300,000	0	0	400,000
Water accountability, metering and reporting framework review	15,000	55,000	0	0	70,000
Groundwater Assessment Project	0	350,000	325,000	75,000	750,000
Bicheno Recycled Water Scheme	0	\$1,000,000	2,000,000	2,000,000	5,000,000
Balance of non-Commonwealth contributions	16,756,227	22,100,228	7,006,109	2,093,000	47,955,564

Table F3: Tasmania - Performance requirements, reporting and payment summary

Output (Project)	Performance milestones	Milestone due	Payment
Greater South East Irrigation Scheme Detailed Business Case (formerly the South East Integration Project)	Milestone 1 – Acceptance of Project Plan including key deliverables and timelines.	31 July 2021	\$650,000
	Milestone 2 – Development of Preferred Option and commencement of Detailed Business Case.	31 October 2021	\$1,000,000
	Milestone 3 – Submission of a draft Detailed Business Case and Concept Designs (Parts 1 and 2).	31 March 2022	\$2,000,000
	Milestone 4 – Acceptance of a final Detailed Business Case and Concept Designs (Parts 1 and 2).	31 July 2022	\$1,000,000
Connections Funding Pathway	Milestone 1 – Written confirmation of the details of the TAS 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	\$5,000,000
	Milestone 2 – Submission and acceptance of a Progress Report detailing the status of delivery of the TAS 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	\$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
Lake Leake Dam Life Extension Upgrade	Milestone 1 – Acceptance of Project Plan, including key deliverables and timelines.	30 July 2022	\$375,000
	Milestone 2 – Submission and acceptance of a Progress Report detailing the: <ul style="list-style-type: none"> • Construction tender award and mobilisation of contractor to site; and • Commencement of construction. 	31 January 2023	\$750,000
	Milestone 3 – Acceptance by the Australian Government of the Project Completion Report.	31 August 2023	\$375,000

Bicheno Recycled Water Scheme	Milestone 1 – Submission and acceptance of Project Plan, including design, key deliverables and timelines.	28 February 2023	\$1,000,000
	Milestone 2 – Submission and acceptance of a Progress Report providing an update on: <ul style="list-style-type: none"> the land acquisition for the irrigation storage facility; stakeholder and community consultation; and construction schedule and any cost escalations. 	31 August 2023	\$500,000
	Milestone 3 – Submission and acceptance of a Progress Report detailing the: <ul style="list-style-type: none"> Awarding of the construction tender and contractors mobilisation to site. Commencement of construction. 	31 March 2024	\$1,500,000
	Milestone 4 – Submission and acceptance of a Progress Report providing an update on: <ul style="list-style-type: none"> construction of the project including advice on any changes to the construction schedule; budget variations (if any); and any other issues impacting the delivery of the project. 	31 July 2024	\$1,000,000
	Milestone 5 – Acceptance by the Australian Government of the Project Completion Report.	31 October 2024	\$1,000,000

Table F4: Tasmania - Performance requirements, reporting and payment summary – Science Projects

Output (Project)	Performance milestones	Milestone due	Payment
Catchment Yield Science Update	Milestone 1 – Acceptance of Milestone Report including Detailed Project Plan and Project Initiation factsheet.	29 April 2022	\$100,000
	Milestone 2 – Acceptance of Milestone Interim Progress Report.	31 August 2022	\$250,000
	Milestone 3 – Acceptance of Final Milestone Report including Detailed Research Report and high-level Summary Report.	30 April 2023	\$50,000
Water accountability, metering and reporting framework review	Milestone 1 – Acceptance of Detailed Project Plan.	29 April 2022	\$15,000
	Milestone 2 – Acceptance of Final Project Report.	30 April 2023	\$55,000
	Milestone 1 – Acceptance of Milestone Report including Detailed Project Plan.	29 July 2022	\$50,000

Groundwater Assessment Project	Milestone 2 – Acceptance of Milestone Interim Progress Report 1.	31 October 2022	\$150,000
	Milestone 3 – Acceptance of Milestone Interim Progress Report 2 including state-wide groundwater Risk Analysis Tool Report.	31 March 2023	\$150,000
	Milestone 4 – Acceptance of Milestone Interim Progress Report 3 including Interim groundwater - surface water interactions Project Report and Interim transmission losses Project Report.	29 August 2023	\$200,000
	Milestone 5 – Acceptance of Milestone Interim Progress Report 4 updates of the project.	30 April 2024	\$125,000
	Milestone 6 – Acceptance of Final Milestone Report including Final groundwater – surface water interactions Project Report and Final transmission loss Project Report.	29 November 2024	\$75,000