

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>

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 4A: Queensland – Projects and payment summary

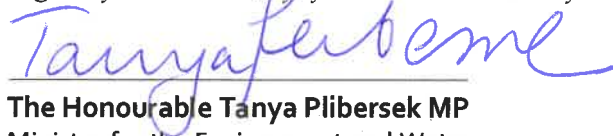
Outputs (Projects)	Project scope	Total Commonwealth contribution	Total non-Commonwealth contribution
Warwick Recycled Water for Agriculture – Recycled Water Treatment Upgrade	The project will upgrade a recycled water treatment plant through the construction of a new filtration system and a UV disinfection system and the refurbishment of chemical systems to improve water quality and enable additional uses.	\$480,979	\$1,549,189
Big Rocks Weir	The project will construct a conventional concrete weir and saddle dam at Big Rocks with a storage capacity of approximately 10,000ML to supply up to 20,000ML per year of water. The project includes the development of associated infrastructure, including affected access areas.	\$30,000,000	\$3,000,000*
QLD Connections Funding Pathway Package	Construction of the following projects: <ul style="list-style-type: none"> Warrens Gully System Capacity Upgrade. 	\$4,760,000	\$4,760,000
Bedford Weir Raising Preliminary Business Case	The preliminary business case will investigate options, including raising Bedford Weir, to address water security in the Nogoia Mackenzie Water Supply Scheme that can increase water availability and reliability for Scheme customers. The preliminary business case will shortlist options, provide recommended further investigations based on indicative cost estimates, identify a preliminary design for construction of the preferred option, a delivery model and market sounding.	\$1,698,365	\$0
Paranui Weir Preliminary Business Case	The preliminary business case will assess options for improving water security in the Dawson Valley Water Supply Scheme and providing access to water identified in the Dawson Valley Water Management Area's Strategic Reserve, including options and design for construction of Paranui Weir on the Dawson River.	\$1,955,675	\$0

Burdekin Haughton Water Supply Scheme Modernisation Detailed Business Case	<p>The detailed business case will investigate modernisation opportunities in the Burdekin Haughton Water Supply Scheme, including balancing storages, channel lining and modernisation, replacing aging channels with pipelines and improving control systems.</p> <p>The detailed business case will use indicative cost estimates, environmental and social impact assessments, demand assessments, a delivery model and market sounding to identify additional and more reliable water products for irrigators as well as options for reducing inflows to the local groundwater table.</p>	\$1,907,350	\$0
Bowen Pipeline Detailed Business Case	<p>The Detailed Business Case will investigate the construction of a pipeline from the Burdekin River to Bowen (approximately 105km). The proposed project aims to deliver up to 100GL per year to users along the pipeline route, including the Abbot Point State Development Area and the townships of Bowen, Gumlu and Guthalunga.</p> <p>The Detailed Business Case will consider the economic viability, sustainability and social impacts of the proposed project.</p> <p>The Proposed Project Delivery Proposal Report will include key documents to inform on possible delivery of the project including the proposed business model, draft construction tender documents and a long term business and operational sustainability plan.</p>	\$5,000,000	\$0
Paradise Dam Improvement Project	<p>The project will restore the existing Paradise Dam to its full 300GL capacity and address existing dam safety issues.</p> <p>The project includes raising the primary spillway by 5.8 metres to its original height; strengthening the primary spillway with a mass concrete buttress to widen the wall by up to 22 metres at the base; and adding new concrete training walls, up to 20 to 25 metres high, and extending approximately 60 metres along either side of the apron to guide flow downstream in the river channel.</p>	\$600,000,000	\$600,000,000
Mount Morgan Water Supply Project	<p>The project will construct a new pipeline to connect Mount Morgan's town water supply to the Rockhampton water supply network in central Queensland.</p> <p>The Australian Government funding is for detailed design, approvals and construction support services for the pipeline.</p>	\$3,500,000	\$44,900,000
Groundwater Improvement in the Lower Burdekin	<p>The project seeks to address rising groundwater and related issues, such as increasing salinity, in the Lower Burdekin Region. The project will develop a new bore field to extract additional groundwater and deliver a series of targeted efficiency upgrades to reduce seepage through irrigation channels.</p>	\$12,500,000	\$13,000,000

*The Queensland Government has committed \$3 million towards the development of the Big Rocks Weir, with remaining partner funding to be confirmed following completion of pre-construction activities and the finalisation of regulatory approvals.

Table 4B: Queensland – Projects and payment summary - Science Projects			
Outputs (Projects)	Project scope	Total Commonwealth contribution	Total non-Commonwealth contribution
Strategic Assessment of Sustainable Agricultural Development Potential for Mitchell, Flinders and Gilbert Catchments (Stage 1)	<p>A two-stage project that will focus on prospective agricultural areas identified by previous catchment scale studies.</p> <p>Stage One is a desktop assessment to consolidate existing and new information on agricultural development potential for the Mitchell, Flinders and Gilbert catchments.</p> <p>Stage Two involves targeted assessment (desktop and field studies) to address knowledge gaps identified within the three catchments, including (but not limited to) an assessment of soils and land availability.</p>	\$175,000	\$0
Feasibility Assessment of Opportunities for Underground Technologies in Queensland to Support Future Agricultural Development	<p>Research on the refinement of opportunities at a regional scale for underground technologies to support future agricultural development in Queensland, with the aim to move to trials / pilots if viable. Stage 1 includes:</p> <p>Consolidation of previous studies, available information and constraints,</p> <p>Identification of areas in Queensland where opportunities for sub-surface and sand dams are aligned with either existing water demand or potential demand for greenfield agricultural industries.</p> <p>Check of compatibility with existing catchment water plans and groundwater management plans and identification of types of flows to be captured,</p> <p>Identification of other relevant environmental and or social constraints that are relevant to the operation of sub-surface or sand dams in Queensland (e.g dry-land salinization, management of woody vegetation), and</p> <p>Development of consistent assessment approach and set of holistic assessment criteria going forward to assess feasibility of storages.</p>	\$160,000	\$0

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Tanya Plibersek MP
Minister for the Environment and Water

18 / 7 / 2023

Signed for and on behalf of the State of Queensland by



The Honourable Glenn Butcher MP
Minister for Water

10 / 07 / 2023

National Water Grid Fund

FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table C1: Formalities and operation of schedule

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

Estimated Financial Contributions

Table C2

(\$)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Estimated total budget	11,095,168	11,521,390	TBD	TBD	TBD	TBD	TBD
Less estimated National Partnership Payments							
Warwick Recycled Water for Agriculture – Recycled Water Treatment Upgrade	144,979	336,000	0	0	0	0	480,979
Big Rocks Weir ¹	1,500,000	500,000	1,000,000	TBD	0	0	30,000,000
Connections Funding Pathway	1,190,000	2,380,000	1,190,000	0	0	0	4,760,000
Bedford Weir Raising Preliminary Business Case	500,000	1,198,365	0	0	0	0	1,698,365
Paranui Weir Preliminary Business Case	500,000	1,455,675	0	0	0	0	1,955,675
Burdekin Haughton Water Supply Scheme Modernisation Detailed Business Case	500,000	1,407,350	0	0	0	0	1,907,350
Bowen Pipeline Detailed Business Case	1,500,000	900,000	2,600,000	0	0	0	5,000,000
Paradise Dam Improvement Project ²	0	7,000,000	24,000,000	5,490,000	TBD	TBD	600,000,000
Mount Morgan Water Supply Project	0	0	3,500,000	0	0	0	3,500,000
Groundwater Improvement in the Lower Burdekin	0		1,500,000	1,500,000	6,000,000	3,500,000	12,500,000
Strategic Assessment of Sustainable Agricultural Development potential for Mitchell, Flinders and Gilbert Catchments (Stage 1)	53,000	122,000	0	0	0	0	175,000

Feasibility Assessment of Opportunities for Underground Technologies in Queensland to Support Future Agricultural Development (Stage 1)	64,000	96,000	0	0	0	0	160,000
Balance of non-Commonwealth contributions	4,643,189	3,476,000	TBD	TBD			TBD

¹ Big Rocks Weir - Construction milestones for the remaining Australian Government funding of \$27 million will be negotiated with the Queensland Government following the completion of pre-construction activities. Construction milestones will be subject to:

- All necessary regulatory approvals to commence construction having been obtained;
- Confirmation by the Australian and Queensland Governments to proceed to construction; and
- Confirmation of all funding contributions required to deliver the full scope of the Big Rocks Weir.

² Paradise Dam - Construction milestones for the remaining Australian Government funding of \$563.51 million will be negotiated with the Queensland Government following the completion of pre-construction activities. Construction milestones will be subject to:

- All necessary regulatory approvals to commence construction having been obtained;
- Confirmation by the Australian and Queensland Governments to proceed to construction.

Table C3: Queensland - Performance requirements, reporting and payment summary

Output (Project)	Performance milestones	Milestone due	Payment
Warwick Recycled Water for Agriculture – Recycled Water Treatment Upgrade	Milestone 1 – Acceptance of Project Plan, including key deliverables and timelines and procurement of contractor.	31 May 2022	\$144,979
	Milestone 2 – Completion of trenching and installation of all key underground pipe work, and installation of new underground chemical lines and inline mixers.	30 April 2023	\$240,000
	Milestone 3 – Acceptance by the Australian Government of the Project Completion Report.	30 June 2023	\$96,000
Big Rocks Weir	Milestone 1 – Pre-construction Phase Acceptance of: <ul style="list-style-type: none"> Completed Project Management Plan Completed Basis of Design Report Completed Geotechnical Investigations Report. 	30 November 2021	\$1,500,000
	Milestone 2 – Pre-construction Phase Acceptance of: <ul style="list-style-type: none"> Completed Design Report including detailed design of the weir and ancillary works Completed Hydrological Report Completed Cost Assessment Report including a P90 cost estimate. 	31 March 2023	\$500,000
	Milestone 3 – Pre-construction Phase Acceptance of: <ul style="list-style-type: none"> Completed Project Summary and Pre-construction Assessment Report detailing the work undertaken, findings, position on the project and a water demand assessment Completed Delivery Model Report including proposed detailed delivery, implementation approach, proposed procurement and delivery model Completed Funding and Financial Contribution Report Completed Detailed Regulatory Pathway Report outlining status, timing and sequencing of all required regulatory approvals A formal statement from Charters Towers Regional Council on their position on Big Rocks Weir, with regards to progressing to construction, the recipient's role, the Council's participation, and any conditions. 	30 September 2023	\$1,000,000

	<p>Construction milestones for the remaining Australian Government funding of \$27 million will be negotiated with the Queensland Government after the completion of pre-construction activities. Construction milestones will be subject to:</p> <ul style="list-style-type: none"> • All necessary regulatory approvals to commence construction having been obtained; • Confirmation by the Australian and Queensland Governments to proceed to construction; and • Confirmation of all funding contributions required to deliver the full scope of the Big Rocks Weir. 		
Connections Funding Pathway	<p>Milestone 1 – Written confirmation of the details of the QLD Connections Package, including:</p> <ul style="list-style-type: none"> • Project to be delivered • Expected cost of the project and confirmation of funding partner contributions • Construction timing for the project. 	31 October 2021	\$1,190,000
	<p>Milestone 2 – Submission and acceptance of a Progress Report detailing the status of delivery of the QLD Connections Package, including:</p> <ul style="list-style-type: none"> • Current status of the project • Advice on any changes to construction timing • Advice on cost amendments (if any) for the project, including amendments to funding partner contributions • Challenges or issues in delivery of the package. 	31 August 2022	\$2,380,000
	<p>Milestone 3 – Submission and acceptance of a Post Completion Report, including confirmation that the project has been completed and advice on final costs of the project in the package.</p>	31 August 2023	\$1,190,000
Bedford Weir Raising Preliminary Business Case	<p>Milestone 1 – Acceptance of Project Plan including key deliverables and timelines for the delivery of the Preliminary Business Case.</p>	30 March 2022	\$500,000
	<p>Milestone 2 – Completion of draft Preliminary Business Case including options analysis and detailed demand profile.</p>	28 February 2023	\$750,000
	<p>Milestone 3 – Acceptance by the Australian Government of the Preliminary Business Case.</p>	31 March 2023	\$448,365
Paranui Weir Preliminary Business Case	<p>Milestone 1 – Acceptance of Project Plan including key deliverables and timelines for the delivery of the Preliminary Business Case.</p>	30 May 2022	\$500,000
	<p>Milestone 2 – Completion of draft Preliminary Business Case including options analysis and detailed demand profile.</p>	30 May 2023	\$1,000,000
	<p>Milestone 3 – Acceptance by the Australian Government of the Preliminary Business Case.</p>	30 June 2023	\$455,675

Burdekin Haughton Water Supply Scheme Modernisation Detailed Business Case	Milestone 1 – Acceptance of Project Plan including key deliverables and timelines for the delivery of the Detailed Business Case.	31 March 2022	\$500,000
	Milestone 2 – Completion of draft Detailed Business Case including options analysis and detailed demand profile.	30 April 2023	\$1,000,000
	Milestone 3 – Acceptance by the Australian Government of the Detailed Business Case.	31 May 2023	\$407,350
Bowen Pipeline Detailed Business Case	Milestone 1 – Submission of an acceptable draft Project Management Plan.	31 January 2022	\$1,500,000
	Milestone 2 – Submission of Environmental Assessment Progress Report.	30 April 2023	\$900,000
	Milestone 3 – Submission of draft Detailed Business Case and supporting appendices. Submission of an Integrated Sustainability Strategy Report	31 July 2023	\$2,200,000
	Milestone 4 – Acceptance by the Australian Government of final Detailed Business Case, supporting appendices and Addendum. Submission of final Environmental Assessment Report/s. Submission of Project Environmental Approval Report.	8 December 2023	\$250,000
	Milestone 5 – Submission of Proposed Project Delivery Proposal Report. Acceptance of the Project Completion Report.	30 December 2023	\$150,000
Paradise Dam Improvement Project	Milestone 1 – Acceptance by the Australian Government of Project Plan, and completion of Reference Design.	30 April 2023	\$7,000,000
	Milestone 2 – Execution of Project Alliance Agreement Stage 1; and Contract awarded for 1st package of road upgrade works.	31 August 2023	\$15,000,000
	Milestone 3 – Completion of Detailed Business Case; and Completion of Environmental and planning assessment and approvals.	30 November 2023	\$9,000,000
	Milestone 4 - Completion of Enabling works comprising local road upgrades, design and planning for accommodation camp, and construction works of environmental conduit.	31 July 2024	\$5,490,000
	Construction milestones for the remaining Australian Government funding of \$563.51 million will be negotiated with the Queensland Government after the completion of all pre-construction activities.		
Mount Morgan Water Supply Project	Milestone 1- Completion of detailed design documentation. Submission of an acceptable update to the business case to reflect the current cost estimate. Submission of completed independent review of the preferred tender.	31 August 2023	\$2,000,000

	Milestone 2 – Completion of First Nations consultation. Confirmation that all approvals have been obtained for the preferred option. Confirmation of timeframes for delivery of the preferred option.	31 October 2023	\$1,500,000
Groundwater Improvement in the Lower Burdekin	Milestone 1- Acceptance by the Australian Government of Project Plan.	31 July 2023	\$1,500,000
	Milestone 2 – Test drilling complete.	30 September 2024	\$1,500,000
	Milestone 3- Commence construction of the extraction bores and ancillary infrastructure at the Mulgrave Borefield.	30 September 2025	\$6,000,000
	Milestone 4 – Completion and commissioning of permanent extraction bores and ancillary infrastructure, and acceptance of Project Completion Report.	31 August 2026	\$3,500,000

Table C4: Queensland - Performance requirements, reporting and payment summary – Science Projects

Output (Project)	Performance milestones	Milestone due	Payment
Strategic Assessment of Sustainable Agricultural Development potential for Mitchell, Flinders and Gilbert Catchments (Stage 1)	Milestone 1 – Delivery of total Project Plan including key deliverables and timelines and evidence of procurement of contractor.	28 February 2022	\$53,000
	Milestone 2 – Delivery of draft report for strategic assessment of sustainable agricultural development potential for Mitchell, Flinders and Gilbert catchments.	31 July 2022	\$69,000
	Milestone 3 – Acceptance by the Australian Government of final report and project outputs for report for strategic assessment of sustainable agricultural development potential for Mitchell, Flinders and Gilbert catchments.	31 August 2022	\$53,000
Feasibility Assessment of Opportunities for Underground Technologies in Queensland to Support Future Agricultural Development (Stage 1)	Milestone 1 – Delivery of total Project Plan including key deliverables and timelines and evidence of procurement of contractor.	28 February 2022	\$64,000
	Milestone 2 - Delivery of Draft Stage 1 report on the feasibility assessment of opportunities for underground technologies.	31 August 2022	\$64,000
	Milestone 3 – Acceptance by the Australian Government of Final Stage 1 report and project outputs on the feasibility assessment of opportunities for underground technologies.	31 October 2022	\$32,000