

Schedule

National Water Grid Fund

FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

| Table 1: Formalities and operation of schedule | |
|---|---|
| Parties | <p>Commonwealth New South Wales Victoria Queensland Western Australia South Australia Tasmania Northern Territory 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> |

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| <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. |
| <p>Variations and Delegations</p> | <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 3A: Victoria – Projects and payment summary | | | |
|---|---|--|--|
| Outputs (Projects) | Project scope | Total Commonwealth contribution | Total non-Commonwealth contribution |
| Werribee Irrigation District Modernisation (Stage 4 & 5) | 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 |
| Recycled Water on the Bellarine | 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 an ultra- filtration and reverse osmosis plant to improve quality and volume of supply. The project also includes construction of a recycled water tank, a brine storage and pipeline. 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 | \$8,756,000 |
| East Grampians Rural Water Supply | The project will construct a pipeline distribution network to provide a reliable and secure reticulated water supply to properties in the East Grampians region. The project will supply over 600 rural enterprises with the opportunity for up to 1,400ML per annum of reticulated water through the distribution network. | \$32,000,000 | \$53,187,896 |
| Macalister Irrigation District Modernisation Phase 2 | The project will increase water availability and security in the Macalister region. It will upgrade the Newry River Channel and Websters Channel by replacing open channel systems with a combination of gravity distribution pipelines, and automation and modernisation works across the Northern Macalister and Northern Avon supply zones. | \$31,296,500 | \$31,296,500 |
| Western Irrigation Network | The project will construct a new pipeline network connecting existing recycled water plants at Sunbury, Melton, and Bacchus Marsh to the irrigation districts west of Melbourne. Upon completion the network will provide reliable and increased water supply to support productivity uplift for enterprises in the region. Construction includes over 50 km of pipeline and construction of 2.1 gigalitre combined water storage and pump stations. | \$48,071,000 | \$68,236,000 |

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| Quality Water for Wannon | The project will construct new water treatment infrastructure to improve the water quality in the Victorian towns of Portland, Heywood and Port Fairy. The new infrastructure will consist of three reverse osmosis treatment and fluoridation plants. | \$26,050,000 | \$26,190,000 |
| Tyabb-Somerville Recycled Water Irrigation Scheme Detailed Business Case (Project completed) | 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 |
| Pakenham Cora Lynn Recycled Water Scheme for Agriculture Detailed Business Case | 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 |
| Sunbury-Bulla-Keilor Agricultural Rejuvenation Preliminary Business Case (Project completed) | 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 |
| Coliban Regional Rural Modernisation Preliminary Business Case (Project completed) | 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 |
| Coliban Regional Rural Modernisation Detailed Business Case | The Detailed Business Case will undertake detailed analysis of current water losses, evaluation of a preferred option and identification of potential beneficiaries for water recovery. The proposed project will provide the long-term planning and identify the investment needed to improve the service that supports over 1,300 rural customers in the region, including significant agricultural and primary industry enterprises. | \$3,733,271 | \$1,985,720 |
| Gisborne to Sunbury Interconnector Stage 2 Detailed Business Case | 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 enroute offtakes to agricultural enterprises in Toolern Vale. | \$330,000 | \$330,000 |

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| Riddells Creek to Sunbury Interconnector Detailed Business Case | <p>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.</p> | <p>\$470,000</p> | <p>\$470,000</p> |
| VIC Connections Funding Pathway Package | <p>Construction of the following projects:</p> <ul style="list-style-type: none"> • Kyneton Recycled Water Irrigation project • Victoria's Emergency Water Supply Point Network • Sunday Creek Irrigation Reconfiguration project • Goulburn-Murray Irrigation District Channel Embankment Infrastructure Improvement project • Critical Head works Infrastructure for the Modernised Goulburn-Murray Irrigation District • Horsham Agriculture SmartWater for Grains project • Gisborne to Sunbury Recycled Water Interconnector: Stage 1 • Bacchus Marsh Resilience & Critical Infrastructure • Macalister Resilience & Critical Infrastructure. | <p>\$20,000,000</p> | <p>\$26,345,659</p> |

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Tanya Plibersek MP
Minister for the Environment and Water

24/11/2023 2024

Signed for and on behalf of the State of Victoria by



The Honourable Harriet Shing MP
Minister for Water

04/12/2023

National Water Grid Fund

FEDERATION FUNDING AGREEMENT – INFRASTRUCTURE

Table B1: Formalities and operation of schedule

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| 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

| Table B2 (\$) | 2020-21 (and prior FY) | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | Total |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|----------------------|
| Estimated total budget | 74,730,000 | 61,554,500 | 70,099,836 | 85,540,986 | 70,710,224 | 23,671,000 | 12,000,000 | 9,100,000 | 2,640,000 | 410,046,546 |
| Werribee Irrigation District Modernisation (Stage 4 & 5) | 0 | 0 | 1,400,000 | 5,100,000 | 4,475,000 | 0 | 0 | 0 | 0 | 10,975,000 |
| Recycled Water for Bellarine | 0 | 500,000 | 0 | 2,000,000 | 3,028,000 | 0 | 0 | 0 | 0 | 5,528,000 |
| East Grampians Rural Water Supply | 0 | 0 | 0 | 22,000,000 | 9,000,000 | 1,000,000 | 0 | 0 | 0 | 32,000,000 |
| Macalister Irrigation District Phase 2 | 9,500,000 | 4,800,000 | 10,000,000 | 6,750,000 | 246,500 | 0 | 0 | 0 | 0 | 31,296,500 |
| Western Irrigation Network | 6,000,000 | 4,200,000 | 5,300,000 | 16,900,000 | 15,500,000 | 171,000 | 0 | 0 | 0 | 48,071,000 |
| Quality Water for Wannon | 0 | 0 | 0 | 1,750,000 | 1,500,000 | 11,000,000 | 6,000,000 | 4,550,000 | 1,250,000 | 26,050,000 |
| Tyabb-Somerville Recycled Water Irrigation Scheme Detailed Business Case | 0 | 200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 200,000 |
| Pakenham Cora Lynn Recycled Water Scheme for Agriculture Detailed Business Case | 0 | 500,000 | 400,000 | 300,000 | 0 | 0 | 0 | 0 | 0 | 1,200,000 |
| Sunbury-Bulla-Keilor Agricultural Rejuvenation Preliminary Business Case | 0 | 150,000 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| Coliban Regional Rural Modernisation Preliminary Business Case | 0 | 250,000 | 120,000 | 0 | 0 | 0 | 0 | 0 | 0 | 370,000 |
| Coliban Regional Rural Modernisation Detailed Business Case | 0 | 0 | 0 | 2,008,547 | 1,224,724 | 500,000 | 0 | 0 | 0 | 3,733,271 |
| Gisborne to Sunbury Interconnector Stage 2 Detailed Business Case | 0 | 180,000 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 330,000 |
| Riddells Creek to Sunbury Interconnector Detailed Business Case | 0 | 270,000 | 0 | 200,000 | 0 | 0 | 0 | 0 | 0 | 470,000 |
| Connections Funding Pathway | 0 | 5,000,000 | 10,000,000 | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 20,000,000 |
| Balance of non-Commonwealth contributions | \$59,230,000 | \$45,504,500 | \$42,779,836 | \$23,382,439 | \$35,736,000 | \$11,000,000 | \$6,000,000 | \$4,550,000 | \$1,390,000 | \$229,572,775 |

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

| Output (Project) | Performance milestones | Milestone due | Payment |
|---|--|----------------------|----------------|
| Werribee Irrigation District Modernisation (Stage 4 & 5) | Milestone 1 – Acceptance of Project Plan, including key deliverables and timelines. Stage 4 site mobilisation works complete. | 30 April 2023 | \$1,400,000 |
| | Milestone 2 – Completion of tree works and approximately 8km of Stage 4 pipeline. | 31 October 2023 | \$4,000,000 |
| | Milestone 3 – Completion of automation of Stage 4 pipeline customer outlets. Stage 5 site mobilisation works complete. | 30 May 2024 | \$1,100,000 |
| | Milestone 4 – Completion of approximately 8km of Stage 5 pipeline. | 31 October 2024 | \$4,000,000 |
| | Milestone 5 – Completion of automation of Stage 5 pipeline customer outlets. | 30 November 2024 | \$370,000 |
| | Milestone 6 – Submission of an acceptable Project Completion Report. | 28 February 2025 | \$105,000 |
| Recycled Water on the Bellarine | Milestone 1 - Acceptance of Project Plan, including key deliverables and timelines. | 31 October 2021 | \$500,000 |
| | Milestone 2 - Design and construction Tender for the Reverse Osmosis Plant Awarded | 31 October 2023 | \$500,000 |
| | Milestone 3 - Construction site established including installation of signage, amenities, security fences and site demarcation. | 30 November 2023 | \$1,500,000 |
| | Milestone 4 – Practical completion of the following construction components: <ul style="list-style-type: none"> • Reverse Osmosis plant • Water tank • Brine storage. | 31 March 2025 | \$2,928,000 |
| | Milestone 5 -Submission of an acceptable Project Completion Report. | 15 June 2025 | \$100,000 |
| East Grampians Rural Water Supply | Milestone 1 - Contractor mobilisation and site establishment. Completion of at least 50% of the Lake Fyans pump station. | 20 December 2023 | \$6,000,000 |
| | Milestone 2 – Completion of at least 200km of pipeline. | 31 March 2024 | \$16,000,000 |
| | Milestone 3 – Completion of at least a further 200km of pipeline. | 30 November 2024 | \$9,000,000 |
| | Milestone 4 – Completion of distribution pipe network and supply scheme operational | 31 December 2025 | \$900,000 |
| | Milestone 5 – Submission of an acceptable Project Completion Report. | 30 March 2026 | \$100,000 |

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| Macalister Irrigation District Modernisation Phase 2 | Milestone 1 - Completion of approximately 10 km of channel modernisation. | 31 March 2021 | \$9,500,000 |
| | Milestone 2 - Installation of 30 outlets and completion of a further 20 km of channel modernisation. | 30 September 2021 | \$4,800,000 |
| | Milestone 3 - Completion of a further 10 km of channel modernisation. | 31 March 2023 | \$10,000,000 |
| | Milestone 4 - Completion of a further 40 km of channel modernisation. Completion of Nuntin Channel Automated Transition Outlet and Regulator. | 30 November 2023 | \$6,750,000 |
| | Milestone 5 – Submission of an acceptable Project Completion Report (including an interim water savings report). | 30 September 2024 | \$246,500 |
| Western Irrigation Network | Milestone 1 - Completion of at least 1 km of interconnector pipeline from Melton Recycled Water Plant to Bacchus Marsh. Completion of at least 50 % of the plant storage. | 30 May 2021 | \$6,000,000 |
| | Milestone 2 - Completion of the interconnector pipeline from Melton Recycled Water Plant to Bacchus Marsh. | 20 February 2024 | \$6,000,000 |
| | Milestone 3 - Completion of 1.1 GL Melton Recycled Water Plant Storage. | 20 December 2021 | \$4,200,000 |
| | Milestone 4 - Completion of the 50 l/s Bacchus Marsh, 350 l/s Melton and 350 l/s Parwan-Balliang Irrigation District Pump stations. | 30 April 2023 | \$5,300,000 |
| | Milestone 5 - Completion of up to 14 km of distribution pipe network for Parwan-Balliang Irrigation District. Foundation customer connections complete and foundational supply scheme operational. | 30 October 2023 | \$7,600,000 |
| | Milestone 6 - Completion of first 5 km of southern section of Sunbury to Melton Interconnector pipeline. | 1 April 2024 | \$3,300,000 |
| | Milestone 7 - Completion of the remaining southern section of Sunbury to Melton Interconnectors pipeline (up to 14 km). | 20 December 2024 | \$5,700,000 |
| | Milestone 8 - Completion of the northern section of Sunbury to Melton Interconnectors pipeline (up to 11km). | 30 April 2025 | \$3,400,000 |
| | Milestone 9 – Completion of 1.0 GL in additional storage to existing Melton Recycled Water Plant Storage to support Parwan-Balliang Irrigation District | 30 May 2025 | \$6,400,000 |
| | Milestone 10 - Submission of an acceptable Project Completion Report. | 30 July 2025 | \$171,000 |

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| Quality Water for Wannon | Milestone 1 - Acceptance of Project Plan, including key deliverables and timelines. | 4 December 2023 | \$1,500,000 |
| | Milestone 2 - Acceptance of Indigenous Participation Plan | 26 April 2024 | \$250,000 |
| | Milestone 3 – Submission of a progress report including functional design report and an update on community engagement and planning approvals. | 31 March 2025 | \$1,500,000 |
| | Milestone 4 – Contract Award for new water treatment infrastructure – Town 1 (being one of Portland, Heywood or Port Fairy) | 7 July 2025 | \$6,000,000 |
| | Milestone 5 – Practical Completion of new water infrastructure at Town 1 | 1 October 2026 | \$6,000,000 |
| | Milestone 6 – Contract award for new water treatment infrastructure – Town 2 (being one of Portland, Heywood or Port Fairy) | 20 May 2026 | \$5,000,000 |
| | Milestone 7 – Practical Completion of new water infrastructure at Town 2 | 31 January 2028 | \$3,300,000 |
| | Milestone 8 – Contract Award for new water treatment infrastructure – Town 3 (being one of Portland, Heywood or Port Fairy) | 4 August 2027 | \$1,250,000 |
| | Milestone 9 – Submission of a progress report including a construction progress update. | 7 July 2028 | \$250,000 |
| | Milestone 10 – Practical Completion Town 3 and Submission of acceptable Project Completion Report | 31 May 2029 | \$1,000,000 |
| Tyabb-Somerville Recycled Water Irrigation Scheme Detailed Business Case | 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 |
| Pakenham Cora Lynn recycled Water Scheme for Agriculture – Detailed Business Case | 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 |
| Gisborne to Sunbury Interconnector Stage 2 Detailed Business Case | 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 |

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| Riddells Creek to Sunbury Interconnector Detailed Business Case | 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 |
| Sunbury-Bulla-Keilor Agricultural Rejuvenation Preliminary Business Case (Project Completed) | 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 |
| Coliban Regional Rural Modernisation Project – Preliminary Business Case (Project Completed) | 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 |
| Coliban Regional Rural Modernisation Project – Detailed Business Case | Milestone 1 - Acceptance of Project Plan including key deliverables and timelines for the delivery of the Detailed Business Case | 31 October 2023 | \$750,000 |
| | Milestone 2 - Completion of Summary Report for Stage 1 of the Detailed Business Case (Strategic Measurement and initial customer consultation) | 31 May 2024 | \$1,258,547 |
| | Milestone 3 - Completion of draft Detailed Business Case | 31 May 2025 | \$1,224,724 |
| | Milestone 4 - Acceptance by the Australian Government of the final business case | 31 August 2025 | \$500,000 |
| Connections Funding Pathway | Milestone 1 – Written confirmation of the details of the VIC 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 VIC 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. | 30 April 2024 | \$5,000,000 |