



**Australian Government**

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**Department of Infrastructure,  
Regional Development and Cities**

**National Water Infrastructure  
Development Fund — Capital Component  
Expression of Interest Guidelines**

March 2019

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#### **For more information**

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Email	<a href="mailto:waterinfrastructure@infrastructure.gov.au">waterinfrastructure@infrastructure.gov.au</a>
Mail	National Water Infrastructure Policy, Regional & Dams Policy Branch, Regional Development & Local Government Division Department of Infrastructure, Regional Development and Cities GPO Box 594 Canberra ACT 2601
Street address	111 Alinga Street Canberra ACT 2601

Information, Guidelines and related forms are available online at [infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/](https://infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/).

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# 1 Overview

The National Water Infrastructure Development Fund (the Fund) was announced through the White Papers on Agricultural Competitiveness and Developing Northern Australia.

The Australian Government has committed more than \$3 billion to assist state and territory governments (states) in the construction of major water infrastructure. This includes:

- more than \$1.3 billion for the Fund comprising:
  - \$99.5 million [feasibility component](#)
  - \$1.23 billion [capital component](#) over eight years from 1 July 2017, including approximately \$500 million through this call for Expressions of Interest (EOI)
- \$2 billion in concessional loan funding for the [National Water Infrastructure Loan Facility](#) (NWILF)

**These guidelines apply ONLY to the National Water Infrastructure Development Fund — Capital Component. Separate Guidelines are available for the drought round of the Fund and for the NWILF.**

Expressions of Interest (EOI) will be accepted continuously from 21 January 2019 until all funds are committed.

**Applications received by 3pm AEST 1 April 2019 will be assessed under this funding round.**

**Future assessment dates will be notified via the website.**

**The Department of Infrastructure, Regional Development and Cities (the Department) may alter the assessment dates or assessment timeframes at its discretion. States will be informed by the Department of any change to the assessment dates.**

Only states may apply for funding. States may partner with other organisations to seek funding. Funding for successful projects will be provided to states on a Treasury-to-Treasury basis through a bilateral schedule to the *National Partnership for the National Water Infrastructure Development Fund – Capital Component* (the Agreement).

States do not need to have received funding through the feasibility component of the Fund to apply for funding. Studies funded through the feasibility component of the Fund are not guaranteed funding.

States are encouraged to seek a combination of funding from the Fund and the NWILF, up to 49 per cent of the total eligible costs of the project in accordance with the guidelines for the NWILF. Details on how to apply for NWILF funding are available from the Regional Investment Corporation [website](#).

Co-funding from non-Australian Government sources must be greater than 50 per cent of the total eligible costs of the project.

Projects must be supported by states and be ready to progress to construction, or will be ready within 12 months of the assessment date, to be considered for funding.

## **2 Objective and outcomes**

### **2.1 Objective**

The Australian Government will work in partnership with the states to support long-term regional economic growth and development by providing secure and affordable water through investments in economically viable water infrastructure that will be managed in accordance with the principles of the National Water Initiative (NWI).

Ensuring sufficient and appropriately treated water for critical human needs is a core responsibility of the states, and as such, water infrastructure primarily for potable urban supply and use is outside the scope of the Fund.

### **2.2 Outcomes**

The Fund will have the following outcomes:

- the construction of economically viable permanent water infrastructure, including but not limited to dams, weirs, water supply pipelines, off-stream storages, managed groundwater recharge and water treatment and reuse schemes, that will contribute to
- the provision of access to secure and affordable water to underpin regional economic growth, including irrigated agriculture and industry.

### **2.3 How will the Australian Government invest?**

The Department will administer and deliver the Fund on behalf of the Australian Government.

Only states may apply for funding. States may act in partnership with other organisations.

Funding will be prioritised towards water infrastructure that, if developed, will provide affordable and secure water supplies to support the growth of regional economies and communities and focus on water infrastructure that:

- will be economically viable over its proposed operational life
- aligns with the objectives of the Fund
- is consistent with relevant Australian Government policies
- either has or will have all Commonwealth and state regulatory and planning approvals in place to commence construction within 12 months of the assessment date and within six months of the bilateral schedule being signed
- has a co-funding contribution greater than 50 per cent of the total project cost approved by the state
- represents value-for-money for the Australian Government
- is supported by a robust business case approved by the state.

Preference will be given to water infrastructure projects that:

- will deliver broad public benefits through increasing regional water availability and security for water users
- are seeking a combination of assistance from the Fund and the NWILF, where the amount sought from the Fund is the minimum grant required to make the project economically viable, or

- are seeking the minimum grant required to make the project economically viable where only seeking assistance from the Fund.

## 3 Eligibility

### 3.1 Eligibility criteria

- Only state and territory governments can apply for funding.
- Only permanent water infrastructure projects that will increase long-term water availability and security for primary producers, businesses and communities will be considered.
- Only permanent water infrastructure projects ready to progress to construction will be considered (refer 3.5 for further details).
- EOI must have the written support of the state minister responsible for water.
- States must commit to implementation of NWI consistent water management in the catchment where the infrastructure is proposed. Guidance on this requirement is available at [infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/guidance-notes](http://infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/guidance-notes).
- Where applicable, water infrastructure projects must be consistent with the relevant *Basin Plan 2012* Sustainable Diversion Limits and the *Water Act 2007*.
- Projects that have previously been awarded funding from the Capital Component of the Fund are not eligible.

### 3.2 Eligible funding activities

Eligible activities include costs associated with the construction of permanent water infrastructure and water supply systems including, but not limited to:

- dams, weirs, off-stream storages and water supply pipelines
- groundwater and managed aquifer recharge supply schemes
- water treatment, including desalination, storage and reuse.

To support projects to be fast-tracked to construction, eligible activities may include those required to finalise project design and obtain the site approvals required to commence construction within 12 months of the assessment date.

### 3.3 Ineligible funding activities

Examples of activities ineligible for funding include:

- retrospective activities (costs incurred prior to approval of the project)
- activities to meet safety and/or maintenance requirements
- construction of water infrastructure
  - primarily for recreational / social purpose
  - primarily designed to provide potable water for urban supply

- to treat wastewater / sewage to meet environmental discharge regulations except where the treated water will be directly re-used for productive non- recreational applications
- on-farm water infrastructure, including farm dams
- construction of infrastructure that is related or associated but is not directly a result of the water infrastructure, including but not limited to roads, rail and energy and communication networks
- activities funded / intended to be funded using another Australian Government source
- debt restructuring / re-financing of existing projects
- operational and maintenance costs of water infrastructure
- costs associated with and including the purchase of land
- business as usual operation and administration costs of the state, including staffing, of the organisation delivering the construction project. This does not extend to consultants or contractors specifically engaged and solely for the purposes of the project
- activities deemed by the Department to be contrary to the objectives of the Fund.

### **3.4 Funding terms and conditions**

The Department will cease accepting EOI once funds have been fully allocated.

Funding will be delivered through state-based bilateral schedules to the existing Agreement (one bilateral schedule for each state covering all agreed projects in that state).

Funding will be on a Treasury-to-Treasury basis, as set out by construction milestones in the bilateral schedule.

Co-funding contributions must be greater than 50 per cent of the total cost of the project and the funding amount sought must be the minimum amount needed to make the project economically viable after non-Australian Government contributions.

In-kind contributions cannot form part of the non-Australian Government contribution.

Approved projects must commence construction within six months of the bilateral schedule being signed.

Projects must be completed before 30 June 2025.

Projects requesting \$100 million or more in Australian Government funding will be referred to Infrastructure Australia for economic review.

### **3.5 Funding guarantees**

Projects must be either ready to commence construction or be undergoing final approval requirements at the time EOI are lodged with the Australian Government, that is, construction can commence within six months of the bilateral schedule being signed.

The Australian Government may consider EOI for projects close to construction (for example, where feasibility, including business case and environmental, studies have been completed and financing options are being examined). In these cases, funding would be subject to conditions

and timeframes imposed by the Australian Government and these would be set out in the relevant state’s bilateral schedule to the Agreement.

The approved funding may be withdrawn and reassigned by the Australian Government if the conditions are not satisfactorily met within the specified timeframes.

Once the conditions are met and construction has commenced, funding will be provided as per construction milestones set out in the bilateral schedule.

## 4 Expressions of Interest

### 4.1 How to apply

EOI must be made on the form available from [infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/](https://infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/). States may not alter the EOI form.

An electronic, signed copy of the EOI form must be emailed to the Department at [waterinfrastructure@infrastructure.gov.au](mailto:waterinfrastructure@infrastructure.gov.au). EOI will be accepted and assessed continuously until all funds are committed.

The Department may alter Assessment Dates at its discretion.

For EOI, including attachments, under 20 MB, please submit via email to [waterinfrastructure@infrastructure.gov.au](mailto:waterinfrastructure@infrastructure.gov.au). For EOI 20 MB and over, please contact the Department to discuss file transfer requirements.

Separate EOI forms must be submitted for all water infrastructure projects.

The Department reserves the right to change the EOI process and Guidelines without prejudice. States will be notified of any material changes to the EOI Guidelines.

### 4.2 Information required for assessment

All EOI must be accompanied by a comprehensive business case, supported by robust evidence, confirming the need for the infrastructure, including a cost-benefit analysis approved by the state.

Copies of studies, plans, reports, decisions and/or approvals that support or form part of the business case should be provided with the EOI and referenced as attachments in the EOI form.

The EOI form, available at [infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/](https://infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/), details the information required from states. Some critical information to include is as follows:

- the amount and timing of funding sought from the Australian Government (exclusive of GST)
- the amount and timing of auditable funding contributions (exclusive of GST) from all sources (contributions can be sourced from any legal entity, including state and/or local government and the private sector)
- a description of how the proposed project aligns with the objectives of the Fund

- a clear description of the proposed project, including its location, proposed commencement and completion dates and the nature of the work activities to be undertaken
- whether the project forms part of a larger project and if funding is also being sought from another Australian Government source — e.g. the Northern Australia Infrastructure Facility, the NWILF or other Commonwealth program.

### 4.3 Mandatory assessment criteria

Proposed projects must address all the mandatory assessment criteria outlined in Table 1. The Department reserves the right to seek external advice to assist with the assessment process and use the information provided in the EOI for this purpose.

**Table 1: Mandatory Assessment Criteria**

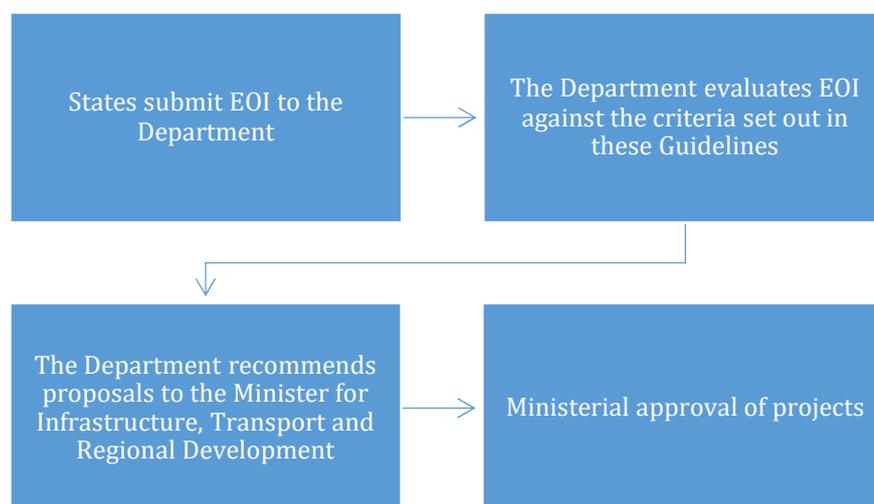
<b>Criterion (weighting %)</b>	<b>Description</b>
1. The proposed project involves construction of permanent water infrastructure that will increase supply and access to water (20%)	<p>Information provided must demonstrate that there is a clear need for the infrastructure, and that the infrastructure is significant and in the national interest.</p> <p>The project must increase supply and access to affordable water by either construction of new infrastructure or by materially enhancing existing supply and storage infrastructure.</p>
2. The proposed project will be compliant with the National Water Initiative. (10%)	<p>Information provided must demonstrate that the anticipated project and the water resources for the project are managed in accordance with the principles of the National Water Initiative.</p>
3. The proposed project will be of public benefit. (10%)	<p>Information provided must demonstrate the public and private benefits expected to be delivered by the project, including economic and social the benefits.</p> <p>The project should support long-term regional economic growth and development by providing secure and affordable water through investments in economically viable water infrastructure that will be managed in accordance with the principles of the National Water Initiative.</p> <p>In considering public benefit, preference will be given to projects that:</p> <ul style="list-style-type: none"> <li>• supply water or have the capacity to supply water to multiple primary producers and businesses</li> <li>• produce benefits to the broader economy, community and environment</li> <li>• have funding support from the state and other project proponents commensurate with public - private benefits to be delivered by the project</li> </ul>

<b>Criterion (weighting %)</b>	<b>Description</b>
4. The proposed project has received the required Commonwealth and state regulatory and administrative approvals required to proceed to construction. (10%)	<p>Information provided must provide evidence of regulatory and planning applications and approvals to demonstrate that a project could proceed to construction within 12 months of the assessment date, including but not limited to:</p> <ul style="list-style-type: none"> <li>• water resource plans, approval to access an allocation of water</li> <li>• environmental approvals</li> <li>• cultural heritage approvals</li> <li>• state development approvals</li> <li>• local planning and construction approvals</li> </ul>
5. Business case and demand for the project. (30%)	<p>Information provided must include an approved business case and documentation that includes:</p> <ul style="list-style-type: none"> <li>• cost benefit analysis for whole of project</li> <li>• demand forecasting and price modelling</li> <li>• water availability and security of supply analysis (sustainable yield analysis), including management of water quality where required</li> <li>• project design and delivery plan(s) addressing the construction timeline and risk management</li> <li>• whole-of-life operation and project maintenance</li> <li>• project benefits realisation</li> </ul>
6. Co-funding greater than 50 per cent of the total project cost. (15%)	<p>Information provided must demonstrate that project financing from all non-Australian Government sources will exceed 50% of the cost of the project.</p> <p>Project proponents must demonstrate that financial assistance is necessary to enable the project to proceed, or to proceed much earlier than it would otherwise.</p> <p>In considering projects preference will be given to projects that represent best value-for-money for Commonwealth funds in relation to:</p> <ul style="list-style-type: none"> <li>• funding amount sought is minimum amount needed to make the project economically viable after non-Australian Government contributions</li> <li>• state and project partner contributions are commensurate with benefits they will realise</li> <li>• contributions are cash and can be verified</li> </ul>

Criterion (weighting %)	Description
7. Stakeholder and Indigenous engagement (5%)	<p>Information provided must include a clear and credible plan to engage and consult with stakeholders and communities.</p> <p>The state must provide an Indigenous engagement strategy which sets out objectives for Indigenous participation, procurement and employment that reflect the Indigenous population in the region of the proposed project.</p> <p>Projects should, where economically feasible, source local materials and business input for a project.</p>

## 5 Conditions for applying

### 5.1 Application and assessment process



**Figure 1: Application and Assessment Process**

The Department will undertake the merit assessment of EOI against the objectives and mandatory assessment criteria set out in the Guidelines. The Department will seek advice on EOI from relevant experts as required, including through the establishment of an independent expert panel.

The Department will use this advice in making recommendations to the Minister for Infrastructure, Transport and Regional Development on the relative merits of projects for funding.

The Australian Government will be the sole and final decision-maker on funding allocations.

### 5.2 False and misleading information

States should be aware that intentionally giving false or misleading information is a serious offence under the *Criminal Code Act 1995*.

### 5.3 Confidential information

States must identify any information contained within EOI or in any documentation provided as part of an EOI that they consider should be treated as confidential and provide reasons for the request. The Department reserves the right to accept or refuse a request to treat information as confidential.

Information provided to the Department that has not been accepted as confidential may be shared or published as determined by the Department.

Confidential information may be released as required by law or Parliamentary privilege.

### 5.4 Freedom of Information

All documents in the possession of the Department, including those in relation to EOI, are subject to the *Freedom of Information Act 1982* (FOI Act).

The FOI Act creates a general right of access to documents in the possession of the Department. Unless a document falls under an exemption provision, it will be made available to the public if requested under the FOI Act.

For more information about the FOI process, or to make a FOI request, please refer to [infrastructure.gov.au/department/foi/index.aspx](http://infrastructure.gov.au/department/foi/index.aspx).

### 5.5 Privacy Statement

Personal information means any information or opinion about an identified, or reasonably identifiable, individual.

The collection of personal information by the Department in relation to EOI is for the purposes of administering the Fund. If the relevant personal information requested in the EOI form is not provided, the Department may not be able to assess EOI.

Personal information may be disclosed to relevant parties engaged for the purposes of administering the Fund, the Minister for Infrastructure, Transport and Regional Development and the Minister's office, on the Department's website and to other Australian Government agencies, persons or organisations where necessary for the above purposes, provided the disclosure is consistent with relevant laws, in particular the *Privacy Act 1988*. Personal information will be used and stored in accordance with the Australian Privacy Principles.

For more information about accessing or correcting personal information or making a complaint, please refer to [infrastructure.gov.au/department/about/privacy-policy.aspx](http://infrastructure.gov.au/department/about/privacy-policy.aspx). Alternatively, telephone the Department on 1800 075 001.

### 5.6 Corrections

The Department will not accept responsibility for any misunderstanding arising from the failure by a state to comply with the Guidelines or arising from any discrepancies, ambiguities, errors or inconsistencies in EOI.

If a state discovers any material discrepancy, ambiguity, error or inconsistency in the EOI, they must immediately bring it to the attention of the Department by email at [waterinfrastructure@infrastructure.gov.au](mailto:waterinfrastructure@infrastructure.gov.au). The Department may, at its discretion, allow a state to remedy any discrepancy, ambiguity, error or inconsistency.

## **6 Administration of Funding**

### **6.1 Notifications of funding decisions**

States will be advised in writing of funding decisions.

The Department, as directed by the Minister for Infrastructure, Transport and Regional Development, reserves the right to negotiate with states on any aspect of a project, including supporting fewer activities and/or offering a lesser amount of funding.

The Department reserves the right to impose conditions on projects that must be met before funding is provided.

### **6.2 Funding conditions**

Funding will only be provided to states through the approved Agreement in accordance with the Federal Financial Relations Framework. Payments by the Australian Government will be to states on a Treasury-to-Treasury basis in accordance with the Agreement.

A separate bilateral schedule to the Agreement will be required for each state. The bilateral schedule will set out the agreed objectives, activities and reporting and payment milestones for the construction of each approved project.

The bilateral schedule must be signed by the relevant state minister before payments will be made.

The Department will manage the Agreement and bilateral schedules. The Minister for Infrastructure, Transport and Regional Development will make decisions in consultation with states regarding variations.

If a state is offered funding subject to conditions, the bilateral schedule will set out the conditions and timeframes to be met in order for the project to be able to proceed to construction. Should conditions not be met the Minister for Infrastructure, Transport and Regional Development may choose to set aside the funding offer.

States will be responsible for managing approved projects within agreed timelines, including submitting progress reports to the Department.

Funded projects must acknowledge the funding support provided by the Australian Government in accordance with the recognition guidelines for the Fund (see section 6.5).

Departmental officials and others may contact states and any project partners during or after the construction to seek information in relation to either the delivery and/or the operation and benefit realisation of a project.

States and any project partners must obtain the agreement of the Department prior to any planned media statement, event or promotion relating to the funded project.

### **6.3 Publication of information about successful projects**

The Australian Government may publish the following information at any time in a variety of media about successful projects:

- the state receiving the funding, along with the project's title and purpose

- names of any project partners identified in EOI as providing funding for the project
- anticipated outcomes and benefits of the infrastructure
- amounts of funding provided by the Commonwealth and amounts provided by the states and their project partners
- term of the funding
- project location
- information on progress as reported to the Department.

The Agreement and bilateral schedules will be published in full on the Council on Federal Financial Relations website.

By submitting EOI, states and their project partners consent to the above information being publicly shared should they be awarded funding.

## **6.4 Reporting requirements**

The Agreement and associated bilateral schedules will detail the reporting requirements for funded projects.

## **6.5 Recognition guidelines**

In all publications, promotional materials, signage and activities relating to the funding received, recipients must acknowledge the financial and other support it has received from the Australian Government by including the words:

*This project is supported by funding from the Australian Government's National Water Infrastructure Development Fund.*

States and any project partners must obtain the agreement of the Department prior to any planned media statement, event or promotion relating to the funded project.

# **7 Other information**

## **7.1 Unsuccessful Expressions of Interest**

States will be notified in writing where EOI are ineligible or unsuccessful. States may contact the Department to obtain feedback on their EOI. States will be responsible for advising project partners as to the outcome of the assessment process.

## **7.2 Complaint handling process**

There is no appeal mechanism for unsuccessful EOI. Funding decisions on EOI will not be reviewed.

If a proponent is dissatisfied with the way an EOI has been handled by the Department, they can contact the Department at [waterinfrastructure@infrastructure.gov.au](mailto:waterinfrastructure@infrastructure.gov.au) and raise a complaint.

### **7.3 For more information**

The Guidelines and other supporting material are available electronically at [infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/](http://infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/).

The Department can be contacted at:

Telephone	1800 075 001
Email	<a href="mailto:waterinfrastructure@infrastructure.gov.au">waterinfrastructure@infrastructure.gov.au</a>
Website	<a href="http://infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/">infrastructure.gov.au/infrastructure/water-infrastructure/nwi-development-fund/</a>
Postal address	GPO Box 594 Canberra ACT 2601
Street address	111 Alinga Street Canberra ACT 2601