



Australian Government



National
Water Grid®

National Water Grid Fund: Beyond the Infrastructure - Ancillary Benefits Guide

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Australians rely on water. It is critical to the survival of communities and to the health and wellbeing of the environment. It is a driver of growth and development. It is an enabler of innovation, sustainability and economic productivity and is critical for new industries as we progress to net zero. Through the National Water Grid Fund (NWGF) the Australian Government is partnering with state and territory governments to deliver the water infrastructure Australians need for the future.

The Australian Government is taking a responsible and balanced approach to investment. All projects, particularly large-scale water infrastructure, take time to develop. Effective long-term planning is necessary to determine the cultural, economic, environmental and social outcomes of proposed projects and to inform investment decisions.

This Guide should be read alongside the National Water Grid Investment Framework (Investment Framework) and provides additional context on factors the Government may consider when making an investment decision.

The Australian Government may choose to prioritise investment in projects that contribute to its broader priorities as well as enabling productive outcomes and meeting community needs.

Alignment with broader priorities

The Investment Framework sets out the strategic objectives, eligibility criteria and principles for investment through the NWGF. Projects at all stages of the project lifecycle are eligible for funding – from science research to business case development, and construction. Projects must be of national significance or tackle a nationally significant issue. They can be small, medium, or large. Investment in smaller scale water infrastructure projects recognises their importance to both local communities and as a key component of addressing national problems, such as regional water insecurity and the poor and deteriorating condition of the environment.

Investing in research and robust long-term planning allows the Australian Government to make informed and transparent investment decisions.

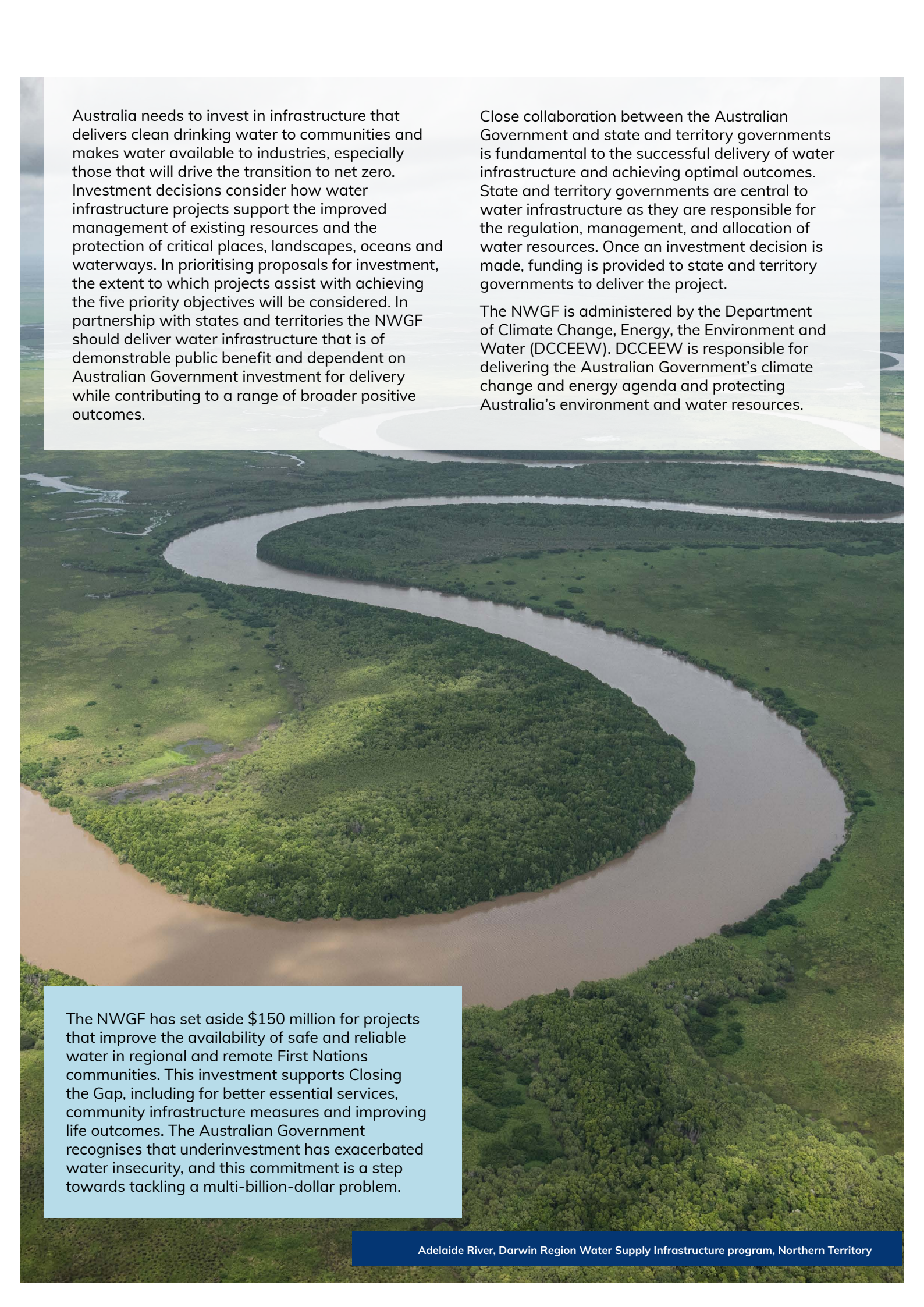
Planning work helps to understand regional challenges and opportunities, explore alternatives and inform next steps. A dedicated Science Program under the NWGF delivers high quality research that explores alternative options, informs further planning and minimises investment risk.

The Australian Government also recognises the importance of including First Nations communities and Aboriginal and Torres Strait Islander knowledge in planning, development and delivery of water infrastructure projects. The Investment Framework details eight investment principles, with one being that project development must include engagement with relevant First Nations communities.

Through the NWGF the Australian Government is demonstrating how new water infrastructure for productive and community use can also support a broader policy agenda. Figure 1 below identifies five key priorities that new water infrastructure funded through the NWGF can support.

Figure 1 – Aligning NWGF investment with broader Government priorities





Australia needs to invest in infrastructure that delivers clean drinking water to communities and makes water available to industries, especially those that will drive the transition to net zero. Investment decisions consider how water infrastructure projects support the improved management of existing resources and the protection of critical places, landscapes, oceans and waterways. In prioritising proposals for investment, the extent to which projects assist with achieving the five priority objectives will be considered. In partnership with states and territories the NWGF should deliver water infrastructure that is of demonstrable public benefit and dependent on Australian Government investment for delivery while contributing to a range of broader positive outcomes.

Close collaboration between the Australian Government and state and territory governments is fundamental to the successful delivery of water infrastructure and achieving optimal outcomes. State and territory governments are central to water infrastructure as they are responsible for the regulation, management, and allocation of water resources. Once an investment decision is made, funding is provided to state and territory governments to deliver the project.

The NWGF is administered by the Department of Climate Change, Energy, the Environment and Water (DCCEEW). DCCEEW is responsible for delivering the Australian Government's climate change and energy agenda and protecting Australia's environment and water resources.

The NWGF has set aside \$150 million for projects that improve the availability of safe and reliable water in regional and remote First Nations communities. This investment supports Closing the Gap, including for better essential services, community infrastructure measures and improving life outcomes. The Australian Government recognises that underinvestment has exacerbated water insecurity, and this commitment is a step towards tackling a multi-billion-dollar problem.

Investing in water infrastructure for a better future

The Australian Government is investing in nationally significant and locally critical water infrastructure projects to build climate resilience and promote sustainable growth in regional and remote Australia. Designing and building the right water infrastructure encourages sustainability and biodiversity preservation, generates efficiency and productivity gains, and supplies water for community use. Targeted and well-planned water infrastructure investment will secure the future of Australia's water resources, supply the needs of communities, make water available for productive use and support the emerging industries that will drive the energy transition. It will also ensure that infrastructure and productivity are complementary to the preservation and restoration of natural landscapes, native vegetation, waterways, and ecosystems.

Water infrastructure is more than dams, pipelines and a supply network. Project planning needs to consider all infrastructure and non-infrastructure options in determining the most fit-for-purpose solution – the solution that delivers the highest net economic, social, environmental and cultural benefit.

Investment by the Australian Government will support the development of cost-effective alternative methods that repurpose and reuse water and minimise wastage. Investing in alternative methods promotes more efficient use of existing water supplies and creates more diverse and sustainable water sources. It also minimises demand on environmental water sources or other natural resources, making the most out of what already exists and using Australia's precious resources sustainably and responsibly. Sustainable water use and building resilience into water supply is increasingly important in the face of climate change, population growth and growing water demand.

More tailored solutions to water supply needs include alternative water storage and distribution methods, such as water recycling and treatment plants, and desalination.

New water infrastructure can limit water losses during transfer, storage and use, with these savings repurposed to return water to the environment, preserve habitats, support industry and improve the availability and reliability of supply.



Rookwood Weir, Queensland. Credit: Sunwater.